

**NEW YORK TRANSPORTATION  
WORKERS' COMPENSATION TRUST**

**ANALYSIS OF LOSS AND  
LOSS ADJUSTMENT EXPENSE RESERVES  
AS OF DECEMBER 31, 2009**

Prepared for: New York Transportation Workers' Compensation Trust

Date: April 27, 2010



Prepared by:  
Kenneth E. Carlton, III, FCAS, MAAA, FCA  
Milliman, Inc.  
289 Edgewater Drive  
Wakefield, MA 01880  
(781) 213-6200

## TABLE OF CONTENTS

---

I.	BACKGROUND AND SCOPE .....	3
A.	Background .....	3
B.	Scope .....	4
II.	DISCLOSURES AND LIMITATIONS .....	5
A.	Disclosures .....	5
B.	Limitation on Distribution .....	7
C.	General Limitations .....	8
III.	SUMMARY OF FINDINGS .....	13
A.	Estimated Loss and LAE Reserves .....	13
B.	Future Cash Flow Payout .....	14
C.	Assessment Accrual .....	14
D.	Retrospective Analysis .....	15
IV.	ANALYSIS .....	16
A.	Data and Information .....	16
B.	Methodology .....	16
C.	Detailed Analysis .....	21
V.	EXHIBITS .....	23

## I. BACKGROUND AND SCOPE

---

### A. Background

In 2001 several transportation enterprises decided to form a workers compensation self-insurance group (“SIG”) in the State of New York, called the NY Transportation Workers’ Compensation Trust (“NYTWCT”). NYTWCT’s Third Party Administrator (“TPA”) is First Cardinal, LLC (“FC”).

FC and NYTWCT have retained Milliman, Inc. (“Milliman”) to provide actuarial services as of December 31, 2009.

NYTWCT has purchased specific and aggregate excess insurance with terms summarized in the table below.

NY TRANSPORTATION WORKERS' COMPENSATION TRUST EXCESS INSURANCE SUMMARY			
<u>Accident Year Ending 12/31/XX</u>	<u>Specific Attachment Point</u>	<u>Aggregate Attachment Point</u>	<u>Layer of Coverage Above Aggregate Attachment Point</u>
2001	\$300,000	100% of Written Premium	Up to Statutory Limit
2002	\$400,000	76.9% of Written Premium	\$10 million
2003	\$400,000	81.3% of Written Premium	\$10 million
2004	\$600,000	100% of Written Premium	\$5 million
2005	\$600,000	5.4998% of Payroll (\$30.7 million of losses)	\$5 million
2006	\$750,000	5.9242% of Payroll (\$34.2 million of losses)	\$5 million
2007	\$750,000	5.6953% of Payroll (\$36.0 million of losses)	\$5 million
2008	\$750,000	5.8520% of Payroll (\$37.5 million of losses)	\$5 million

Since March of 2007, the New York state legislature has passed several workers compensation legislative reform measures which included provisions that impact New York self insurance trust experience and operations.

**B. Scope**

Milliman, Inc. ("Milliman") has been retained to provide NYTWCT and FC with an independent estimate of NYTWCT's net loss and loss adjustment expense ("LAE") reserves as of December 31, 2009, based on data evaluated as of December 31, 2009 and information provided by FC through the date of this report. We also were requested by FC to provide a cash flow payout of NYTWCT's net loss and allocated loss adjustment expense ("ALAE") reserves. Finally, we were requested by FC to calculate an assessment accrual estimate for the assessments related to NYTWCT's indemnity loss reserves as of December 31, 2009 using an assessment percentage of 13.3% which was to be applied to an estimate of NYTWCT's 12/31/09 indemnity loss reserves.

## II. DISCLOSURES AND LIMITATIONS

---

### A. Disclosures

#### 1. Basis of Presentation

Our estimates are intended as measurements of expected value over the range of reasonably possible outcomes. Such an estimate is known as an “actuarial central estimate” and is conceptually similar to a mean. Since the range of reasonably possible outcomes may not include all conceivable outcomes, however, an actuarial central estimate is not technically a true statistical mean. For example, the range of reasonably possible outcomes may exclude conceivable extreme events whose contribution to the true statistical mean is not reliably estimable. We also include a range of estimates of the expected value that we consider reasonable in this case.

In addition, please note the following regarding our estimates:

- Our estimates are presented on a net basis (i.e., gross less ceded) with respect to excess insurance recoverables;
- Our estimates are net of deductibles and net of salvage and subrogation recoverable; and
- Our estimates are presented on a discounted and undiscounted basis with regard to the time value of money.

Our reserve estimates are also net of savings from second-injury fund claims, which are defined as Section 15-8, 25A and 14-6 claims. Section 15-8 of the NY Workers Compensation Statute provides for second injury fund relief on claims which combine two or more work-related injuries or a work-related injury and certain medical conditions which when combined hinder future employment. If accepted as a 15-8 claim, the employer pays the first five years of the benefits due and then is reimbursed for all

subsequent payments. Full or partial relief may be granted. If partial relief is granted, the employer will continue to pay a prescribed percent of all future benefits. We were informed by FC that the second injury fund only will cover Section 15-8 claims with an accident date prior to June 30, 2007. That is, any claims occurring after this date are not eligible for reimbursement from the fund.

## 2. Terminology

**Reserves.** The use of the term “reserves” is common in the insurance industry. All references to the Milliman estimated reserves in this report indicate the Milliman estimated liability for unpaid loss and LAE amounts on claims incurred as of December 31, 2009, and should not be construed as indicating a value carried on the company financial statements. The amounts carried on the company financial statements are referred to herein as the “carried” or “booked” reserves.

**Case Reserves and IBNR Reserves.** Total loss reserves consist of case reserves (claims administrator’s estimates of future payments on individual reported claims) and incurred but not reported (“IBNR”) reserves. As used in this report, the terms “IBNR reserves” and “unreported losses” refer to the provision for unreported claims, changes in case reserves, and future payments on reopened claims.

**Loss Adjustment Expenses (“LAE”).** LAE are classified as allocated loss adjustment expenses (“ALAE”) and unallocated loss adjustment expenses (“ULAE”). Generally, ALAE includes claims settlement costs directly assigned to specific claims, such as legal fees, and ULAE includes other claims administration expenses.

We estimated loss and ALAE reserves on a combined basis. Throughout the remainder of this report the terms “loss” or “losses” refer to combined loss and ALAE amounts.

### 3. Acknowledgment of Qualifications

Kenneth E. Carlton, III is a Principal of Milliman, a Fellow of the Casualty Actuarial Society and a Member of the American Academy of Actuaries. Ken meets the qualification standards of the American Academy of Actuaries to provide the estimates in this report.

### 4. Other Disclosures

This analysis is an update of a previous analysis that was performed based on data evaluated as of December 31, 2008. We made no material changes to the assumptions and methods used to produce our estimates.

#### **B. Limitation on Distribution**

Milliman's work has been prepared solely for the internal use of NYTWCT and FC. No portion of Milliman's work may be provided to any other party without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work. Milliman's work may not be filed with the SEC or other securities regulatory bodies. In addition, references to Milliman or its estimates in securities filings, analyst meetings and press releases are not authorized. Should NYTWCT or FC make reference to the engagement of an independent actuary (without specifically identifying Milliman) in any SEC filing, the SEC may require disclosure of the name of the actuary. Such disclosure is prohibited without Milliman's prior written consent.

Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Third Party Release Agreement, subject to the following exceptions:

1. NYTWCT and FC may provide a copy of Milliman's work to UHY, LLP ("Auditor") to be used solely for audit purposes. In the event the Auditor's audit reveals any error or inaccuracy in the data underlying Milliman's work, Milliman requests that the Auditor, NYTWCT or FC notify Milliman as soon as possible.
2. NYTWCT may provide a copy of Milliman's work to governmental entities, as required by law.

In the event Milliman consents to release its work product, it must be provided in its entirety. We recommend that any third party recipient have its own actuary or other qualified professional review the work product to ensure that the party understands the assumptions and uncertainties inherent in our estimates. No third party recipient of Milliman's work product should rely upon Milliman's work product.

## **C. General Limitations**

### 1. Reliance on Data

In performing this analysis, we relied on data and other information provided by FC. We have not audited or verified this data and information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.



In estimating NYTWCT's discounted loss and LAE reserves, we used discount factors based upon interest rates and payment patterns selected from IRS publications, as requested by FC. In addition, an annual effective interest rate of 3.75%, provided by FC, was used in an alternate discounting calculation. Future rates of return are not guaranteed and may exceed or fall below the assumed rate. Also, the actual timing of loss payments is subject to variability. Further, our projections assume the existence of valid assets underlying the reserve liabilities and that these assets have scheduled maturities that are appropriate to meet the cash flow needs of NYTWCT. We express no opinion on the appropriateness of the IRS discount factors and the selected rate of interest and we have not reviewed the assets held.

For the calculation of ULAE reserves, FC instructed us to use an annual claim administrative cost of \$700 for indemnity claims and \$100 for medical claims that remain open during the next three years. For claims remaining open after that period, FC instructed us to use annual claim administrative costs of \$500 and \$50 for any remaining open indemnity and medical claims, respectively.

For the calculation of an assessment accrual related to NYTWCT's indemnity reserves, FC instructed us to use an assessment percentage of 13.3% which was to be applied to our estimate of NYTWCT's 12/31/09 indemnity loss reserves.

## 2. Uncertainty

Actuarial estimates are subject to uncertainty from various sources, including changes in claim reporting patterns, claim settlement patterns, judicial decisions, legislation, and economic conditions.

In estimating NYTWCT's reserves for unpaid losses and LAE, it is necessary to project future loss and LAE payments. Actual future losses and LAE will not develop exactly as projected and may, in fact, vary significantly from the projections. Further, the projections make no provision for future emergence of new classes of losses or types of

losses not sufficiently represented in NYTWCT's historical database or that are not yet quantifiable.

We supplemented NYTWCT's data with applicable insurance industry data where deemed appropriate. The use of external data is another source of uncertainty in our estimates.

NYTWCT decided to cease operating as a going concern and is now in runoff. We have not anticipated any changes in claim reporting or claim settlement patterns, practices, and costs as a result of NYTWCT's decision to cease operating as a going concern. This change to a runoff situation increases the uncertainty inherent in our estimates.

The uncertainty associated with our estimates of net reserves for unpaid losses and LAE is magnified by NYTWCT's exposure to large, fortuitous losses within its net retained limits of \$750,000 per occurrence. The emergence of individual large losses (or changes in reserves on existing open claims) could materially change the results. The potential for large losses increases the uncertainty inherent in our estimates.

There have been significant workers compensation reform measures passed and implemented in New York in the last couple of years. The impact of these reform measures on future losses along with the immaturity of this post reform loss experience adds additional uncertainty to our estimates. In particular, two sections of the reforms, Medical Treatment Guidelines and PPD Duration, have yet to have all the details finalized.

For Medical Treatment Guidelines, a draft was developed in December of 2007 by the Department to the Workers' Compensation Board and has yet to be officially enacted. The effect of these guidelines is difficult to quantify at this time. The extent to which these guidelines will impact future results increases the uncertainty in our estimates.

In March of 2007, reform measures were passed relating to the implementation of benefit durations on non-schedule PPDs. However, impairment rating guidelines have yet to be published, which makes calculating reserves for PPD claims very difficult. Since there is still significant uncertainty in the way the claims process will evolve under the new system, the impact of this reform measure is difficult to determine at this time and the extent to which it affects future results increases the uncertainty in our estimates.

### 3. Variability of Results

Our results are estimates based on long term averages. Actual loss experience in any given year may differ from what is suggested by these averages.

The sensitivity of key variables and assumptions in the analysis was considered. Key variables and assumptions include (but are not limited to) loss development factors, the expected loss rates used in the Expected Paid and Incurred Emergence methods, and the weights given to different actuarial methods. It is possible that reasonable alternative selections would produce materially different reserve estimates.

### 4. Range of Values

Our results should be considered central estimates within wide ranges of possible outcomes. As part of our analysis, we produced a range of reasonable estimates. It is possible that actual results will fall outside of our estimated range.

### 5. Excess Insurance

We did not review the actual excess insurance contracts of NYTWCT, but relied on summaries of the terms of the contracts provided by FC. Our results, net of excess insurance, assume that all excess insurance is valid and collectible.

## 6. Discount Factors

As requested by FC, we utilized discount factors based upon interest rates and payment patterns selected from IRS publications. We express no opinion on the appropriateness of these discount factors. In addition, we estimated alternative discount factors using a rate of interest of 3.75% and a payout pattern based on the historical losses of NYTWCT and the more mature FC SIGs in New York (see Exhibit 9 for details). The 3.75% rate of interest used in the discounting calculations was selected by FC. We express no opinion on the appropriateness of the rate of interest.

There is the possibility that NYTWCT may settle its losses more slowly or quickly than the settlement pattern underlying these factors. It is also possible that the annual rate of investment return for NYTWCT may differ from the underlying annual rate of investment for these factors. Thus, the estimated amount of future investment income implied from the use of these factors on our undiscounted reserve estimates may differ significantly from the actual amount of future investment income which NYTWCT will earn on our undiscounted reserve estimates.

## 7. Assessment Accrual

As requested by FC, an accrual for future assessments related to NYTWCT's 12/31/09 indemnity losses has been calculated by multiplying estimated 12/31/09 total indemnity reserves by an assessment rate provided by FC. We express no opinion on the appropriateness of this assessment rate. Estimated total indemnity reserves were calculated for each policy year by multiplying total 12/31/09 reserves by a selected ratio of indemnity reserves to total reserves.

### III. SUMMARY OF FINDINGS

---

#### A. Estimated Loss and LAE Reserves

Table 1 summarizes our results on an undiscounted basis and a discounted basis. The discounted loss & ALAE reserves are shown using IRS discount factors as well as the 3.75% interest rate selected by FC. The ULAE reserves are shown using the 3.75% interest rate selected by FC.

<b>TABLE 1 NY TRANSPORTATION WORKERS' COMPENSATION TRUST SUMMARY OF LOSS &amp; LAE RESERVES AS OF 12/31/09</b>			
	(1) Low <u>Estimate</u>	(2) Point <u>Estimate</u>	(3) High <u>Estimate</u>
Undiscounted Loss & ALAE Reserves:	51,544,022	54,386,724	68,109,119
IRS Discounted Loss & ALAE Reserves:	43,490,472	45,887,946	57,445,491
3.75% Discounted Loss & ALAE Reserves:	45,391,308	47,892,731	59,873,061
Undiscounted ULAE Reserves:	944,490	994,200	1,093,620
3.75% Discounted ULAE Reserves:	901,121	948,548	1,043,403

The reserve estimates in Table 1 are net of excess insurance, net of salvage and subrogation reserves, and net of savings from second-injury fund claims (see Exhibit 1, Sheet 2 and Exhibit 10, Sheets 1 and 2 for details).

**B. Future Cash Flow Payout**

As requested by FC, Exhibit 1, Sheet 5 shows the future cash flow of NYTWCT's net loss and ALAE reserves as of 12/31/09.

**C. Assessment Accrual**

Table 2 summarizes an estimate of NYTWCT's assessment accrual at 12/31/09, which is related to NYTWCT's 12/31/09 indemnity loss reserves.

<b>TABLE 2 NYTRANSPORTATION WORKERS' COMPENSATION TRUST SUMMARY OF ASSESSMENT ACCRUAL AS OF 12/31/09</b>			
	(1) Low <u>Estimate</u>	(2) Point <u>Estimate</u>	(3) High <u>Estimate</u>
Undiscounted Reserves:	5,016,236	5,280,248	5,544,261
Discounted Reserves:	4,207,938	4,429,408	4,650,877

See Exhibit 3 for details.

**D. Retrospective Analysis**

Table 3 shows how our estimates of ultimate loss and ALAE, net of salvage and subrogation, for accident years 2001 to 2008 have changed since our prior report, which was based on data as of 12/31/08.

<b>TABLE 3 NY TRANSPORTATION WORKERS' COMPENSATION TRUST RETROSPECTIVE ANALYSIS - NET OF SALVAGE AND SUBROGATION AS OF 12/31/09</b>				
(1)	(2)	(3)	(4)	(5)
Accident Year Ending 12/31/XX	Current Selected Ultimate Loss & ALAE	Prior Ultimate Loss & ALAE	Difference (2) - (3)	Percent Difference (4) / (3)
2001	2,704,424	2,694,471	9,953	0.4%
2002	7,538,673	7,861,669	(322,996)	(4.1%)
2003	13,237,161	13,401,002	(163,841)	(1.2%)
2004	21,942,839	22,162,541	(219,702)	(1.0%)
2005	20,568,454	21,693,970	(1,125,516)	(5.2%)
2006	24,964,872	25,340,136	(375,265)	(1.5%)
2007	25,445,784	25,524,298	(78,514)	(0.3%)
<u>2008</u>	<u>27,149,360</u>	<u>25,329,778</u>	<u>1,819,582</u>	<u>7.2%</u>
Total	143,551,567	144,007,865	(456,298)	(0.3%)

These estimates do not reflect savings from second-injury fund claims. Since the ultimate loss and ALAE for second-injury fund claims as of 12/31/09 is approximately \$130,000 greater than as of 12/31/08, the difference between ultimate loss and ALAE, net of salvage and subrogation, and net of second-injury fund savings, for our current analysis versus our prior analysis decreases to approximately -\$580,000 or -0.4%.

## **IV. ANALYSIS**

---

### **A. Data and Information**

In estimating NYTWCT's ultimate losses, we relied on loss and premium information provided by FC.

We also relied on data and information received during our studies for previous years, and on New York workers compensation industry data.

### **B. Methodology**

Our methodology consists of the following subsections:

1. Estimated Ultimate Losses
2. Calculation of Reserves
3. Calculation of Cash Flow Payout
4. Calculation of Assessment Accrual
5. Calculation of Savings from Second-Injury Fund Claims
6. Calculation of ULAE

#### 1. Estimated Ultimate Losses

In order to project ultimate losses for prior periods, we used a variety of estimation methods and then assigned weight to each method based on our judgment as to its relative predictive value. The following is a brief description of each method.



a. Paid Loss Development

In the Paid Loss Development method, ultimate losses are estimated by applying development factors to paid losses as of the evaluation date. These loss development factors (“LDFs”) estimate future loss payments on open, unreported, and reopened claims. The selection of development factors is based on historical loss payment patterns (data triangles). Development beyond the maturity of the historical data triangles is estimated by selecting a “tail” LDF.

b. Incurred Loss Development

The Incurred Loss Development method is similar to the Paid Loss Development method, except that incurred losses (paid losses plus case reserves) are used in place of paid losses. The selected LDFs estimate future loss payments on unreported and reopened claims, as well as changes in the incurred loss values of reported claims.

c. Expected Paid Emergence

The Expected Paid Emergence method estimates ultimate losses as the sum of two components: actual paid losses and expected unpaid losses. To estimate the expected unpaid losses, the Expected Paid Emergence method requires paid LDFs and an initial expectation of the ultimate loss amount. The paid LDFs are used to determine the percentage of the expected ultimate loss that is expected to be unpaid as of the evaluation date. This future payment (or unpaid) percentage is multiplied by the expected ultimate losses to derive the expected future paid losses. The expected losses used were the selected ultimate losses from our prior analysis performed using data as of December 31, 2008. As a loss year matures, the expected future paid losses are replaced by actual paid losses.

d. Expected Incurred Emergence

The Expected Incurred Emergence method is similar to the Expected Paid Emergence method, except that incurred losses are used in place of paid losses and the method estimates expected IBNR reserves in place of expected total reserves. Estimated ultimate losses are equal to the sum of two components: actual incurred losses reported to date and expected incurred but not reported losses (or expected IBNR reserves). Incurred LDFs are used to determine the percentage of the expected ultimate loss that is expected to be unreported as of the evaluation date. This expected unreported percentage is multiplied by the expected ultimate losses to derive the expected unreported losses. We used the same expected ultimate losses for the Expected Incurred Emergence method as for the Expected Paid Emergence method. As a loss year matures, the expected unreported losses are replaced by the actual incurred losses.

e. Summary

After reviewing the results of each method and assigning weights to each, the result is a selected ultimate loss amount.

2. Calculation of Reserves

We calculated reserves by subtracting amounts paid to date from estimated ultimate loss amounts. For each accident year, we derived an undiscounted low estimate of reserves by selecting 95% of our central estimate of undiscounted loss reserves and we derived an undiscounted high estimate of reserves by selecting 115% of our central estimate of undiscounted loss reserves. In addition, adjustments were made for salvage and subrogation recoveries and Section 15-8 claims savings.

We discounted the loss reserves to reflect the time value of money by multiplying the reserves by a discount factor. The discount factors were calculated using both IRS

interest rates and a 3.75% annual interest rate and selected loss payment patterns. The payment patterns were selected based on a review of the historical paid loss development.

### 3. Calculation of Cash Flow Payout

To calculate the cash flow payout of NYTWCT's 12/31/09 net loss and ALAE reserves, we first applied the payment pattern mentioned previously for discounting purposes to our estimate of NYTWCT's 12/31/09 loss and ALAE reserves, net of salvage and subrogation. We then applied this payment pattern, lagged three years (to reflect the delay in reimbursement from the second-injury funds), to our estimate of NYTWCT's second-injury fund savings. Lastly, we subtracted the cash flow payout of the second-injury fund savings from the cash flow payout of the reserves net of salvage and subrogation to produce a cash flow payout by policy year and by calendar year of NYTWCT's loss and ALAE reserves net of salvage and subrogation and net of second-injury fund savings.

### 4. Calculation of Assessment Accrual

The approach to calculating an assessment accrual related to NYTWCT's 12/31/09 indemnity loss reserves was to apply the assessment accrual percentage of 13.3% provided by FC to our estimated ultimate 12/31/09 indemnity loss reserves. See Exhibit 3. The indemnity based assessment percentage of 13.3% selected by FC should be applied to 12/31/09 indemnity loss reserves gross of reinsurance and net of savings from Section 15-8 claims. The calculation of gross indemnity loss reserves was outside the scope of our analysis. However, for the purposes of calculating an assessment accrual, we applied the selected percentage of 13.3% to our net indemnity loss reserves which were gross of any Section 15-8 savings. We believe this 12/31/09 reserve estimate serves as a proxy for gross 12/31/09 indemnity loss reserves.

## 5. Calculation of Savings from Second-Injury Fund Claims

Our approach to calculating the savings from Section 15-8 claims was as follows:

1. For all Section 15-8 claims, developed the paid and incurred Section 15-8 losses to ultimate;
2. Made initial selections for Section 15-8 ultimate losses by year by reviewing the results of the paid and incurred loss development methods and assigning weights to the results of each method.
3. For the more mature years, our final selections equaled our initial selections from step #2. For the more recent years our final selection was judgmentally selected by selecting a ratio of Section 15-8 ultimate losses to total ultimate losses, based upon a review of these historical ratios;
4. To account for the fact that companies are responsible for Section 15-8 claims for five years, we estimated the Section 15-8 paid loss amounts through 66 months.
5. Subtracted the paid losses through 66 months from the selected ultimate losses in step #2 to get a point estimate of loss reserves;
6. Calculated high and low loss reserve estimates using a range of +/- 5%.

Please note that the losses described above as Section 15-8 losses include special injury fund claims coded as 25A losses. Also, reserves associated with 14-6 claims were added to the estimated reserve savings from 15-8 claims.

Our judgmentally selected ratios in step #3 of Section 15-8 ultimate losses to total losses for the more recent years were chosen in order to recognize an additional amount of net exposure not yet recognized. In addition, the ratio for the 2007 year was selected to be half the ratio selected for the prior year and the ratio for the 2008 year was selected to be zero since as of July 1, 2007, the fund no longer accepts claims.

## 6. Calculation of ULAE

FC indicated that there are different ULAE administrative costs for open indemnity claims and open medical claims. Thus, we calculated ULAE separately for indemnity claims (See Exhibit 10, Sheet 1) and medical claims (see Exhibit 10, Sheet 2).

For each, we calculated ultimate claim counts based on reported claims provided by FC. See Exhibit 10, Sheets 5 and 6. We then determined an estimated closure pattern from closed claim information provided by FC and our selected ultimate claims. See Exhibit 10, Sheets 3 and 4. Using this closure pattern, we were able to project the number of future open claims. We then multiplied the appropriate ULAE administrative cost per open claim (as selected by FC) by the estimated open claims to arrive at an estimation of NYTWCT's ULAE amount. We also calculated a discounted ULAE reserve using the 3.75% interest rate provided by FC. See Exhibit 10, Sheets 1 and 2.

### **C. Detailed Analysis**

The following discussion provides our rationale for combining available data with the selected methodology described in Sections A-B above so as to reflect any circumstances unique to NYTWCT.

#### 1. Industry Loss Development Factors ("LDFs")

We selected the paid and incurred loss development factors used to derive expected ultimate losses by judgmentally selecting factors based upon the loss development experience of NYTWCT as well as the more mature FC SIGs in New York and a review of New York industry workers compensation development factors. Our paid and incurred tail LDFs were judgmentally selected by giving consideration to industry LDFs and the prior year's tail LDFs. Industry LDFs are from the 2009 edition of the National Council on Compensation Insurance *Annual Statistical Bulletin* for workers compensation.

## 2. Calculation of Reserves as of December 31, 2009

We derived undiscounted loss reserves (gross of salvage and subrogation reserves) in Exhibit 2, Sheet 1 by subtracting paid losses as of December 31, 2009 from our selected ultimate losses. We then derived, in Exhibit 1, Sheet 4, the undiscounted loss reserve estimates net of salvage and subrogation reserves.

We calculated the discounted reserve estimates, in Exhibit 1, Sheet 3, by multiplying the undiscounted loss reserves (net of salvage and subrogation reserves) by selected discount factors. As requested by FC, we utilized discount factors based upon IRS publications. We express no opinion on the appropriateness of these discount factors.

We also calculated alternate discounted reserve estimates, in Exhibit 1, Sheet 1, by multiplying the undiscounted loss reserves (net of salvage and subrogation reserves) by discount factors based on a 3.75% interest rate, also requested by FC. We express no opinion on the appropriateness of this interest rate.

## 3. Salvage and Subrogation Reserves

For each accident year, a ratio of salvage and subrogation to loss was selected based upon ratios of actual salvage and subrogation to paid loss and ratios of actual and anticipated salvage and subrogation to incurred loss. These selected ratios were then applied to ultimate losses (low, point, and high estimates) to produce a range of ultimate salvage and subrogation for each accident year. Salvage and subrogation reserves were then estimated as ultimate salvage and subrogation minus actual salvage and subrogation recoveries.

## 4. World Trade Center Large Losses

Due to the unusual occurrence of this event, we removed all accident year 2001 World Trade Center large losses from the development triangles.

## V. EXHIBITS

---

<u>Exhibit Number</u>	<u>Description</u>
Exhibit 1, Sheet 1	Summary of Alternate Discounted Loss & ALAE Reserves as of 12/31/09 (Including Assessment Accrual & Savings from Section 15-8 Claims)
Exhibit 1, Sheet 2	Summary of Loss & ALAE Reserves as of 12/31/09 (Including Assessment Accrual & Savings from Section 15-8 Claims)
Exhibit 1, Sheet 3	Summary of Discounted Loss & ALAE Reserves as of 12/31/09
Exhibit 1, Sheet 4	Calculation of Undiscounted Loss & ALAE Reserves as of 12/31/09 Net of Salvage and Subrogation
Exhibit 1, Sheet 5	Estimated Payout of Reserves – Net of Salvage and Subrogation and Net of Second-Injury Fund Savings
Exhibit 1, Sheet 6	Estimated Payout of Reserves – Net of Salvage and Subrogation
Exhibit 1, Sheet 7	Estimated Payout of Second-Injury Fund Reserves
Exhibit 2, Sheet 1	Summary of Undiscounted Loss & ALAE Reserves as of 12/31/09
Exhibit 2, Sheet 2	Retrospective Analysis
Exhibit 3	Summary of Assessment Accrual for 50-5 Claims as of December 31, 2009
Exhibit 4	Summary of Methods
Exhibit 5	Selected Loss Development Factors
Exhibit 6	Diagnostics
Exhibit 7	Estimation of Salvage and Subrogation Reserves as of 12/31/09
Exhibit 8	Calculation of Discounted "15-8" Second-Injury Fund Savings
Exhibit 9	Calculation of Discount Factors
Exhibit 10	Calculation of ULAE

Summary of Alternate Discounted Loss & ALAE Reserves as of 12/31/2009 using 3.75% Discount Rate

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Accident Year Ending 12/31/XX	Estimated Low Loss & ALAE Reserves as of 12/31/2009	Estimated Point Loss & ALAE Reserves as of 12/31/2009	Estimated High Loss & ALAE Reserves as of 12/31/2009	Reserve Discount Factor at 3.75%	Discounted Low Loss & ALAE Reserves as of 12/31/2009	Discounted Point Loss & ALAE Reserves as of 12/31/2009	Discounted High Loss & ALAE Reserves as of 12/31/2009
2001	334,654	351,475	401,937	0.9120	305,204	320,545	366,566
2002	926,981	980,136	1,139,601	0.8960	830,575	878,202	1,021,083
2003	(0)	(0)	(0)	0.8760	0	0	0
2004	6,932,230	7,305,364	8,309,872	0.8900	6,169,685	6,501,774	7,395,786
2005	6,860,484	7,229,545	8,224,954	0.8750	6,002,923	6,325,851	7,196,835
2006	10,347,033	10,925,201	13,603,320	0.8740	9,043,307	9,548,626	11,889,302
2007	13,066,354	13,802,186	17,494,199	0.8680	11,341,595	11,980,297	15,184,965
2008	17,442,409	18,378,794	23,741,065	0.8680	15,140,011	15,952,793	20,607,245
<b>Total</b>	<b>55,910,145</b>	<b>58,972,701</b>	<b>72,914,948</b>		<b>48,833,300</b>	<b>51,508,088</b>	<b>63,661,782</b>
(12) ULAE	944,490	994,200	1,093,620		901,121	948,548	1,043,403

Including Second-Injury Fund Savings		
(9)	(10)	(11)
Discounted Low Loss & ALAE Reserves as of 12/31/2009	Discounted Point Loss & ALAE Reserves as of 12/31/2009	Discounted High Loss & ALAE Reserves as of 12/31/2009
261,439	274,477	318,195
534,754	566,927	694,355
0	0	0
5,257,404	5,541,478	6,387,475
4,620,825	4,878,688	5,684,607
8,533,321	9,011,799	11,325,634
11,043,554	11,666,569	14,855,550
15,140,011	15,952,793	20,607,245
<b>45,391,308</b>	<b>47,892,731</b>	<b>59,873,061</b>

Assessment Accrual Reserves

(13)	(14)	(15)	(16)	(17)	(18)	(19)	
Accident Year Ending 12/31/XX	Estimated Low Assessment Accrual as of 12/31/2009	Estimated Point Assessment Accrual as of 12/31/2009	Estimated High Assessment Accrual as of 12/31/2009	Reserve Discount Factor at 3.75%	Discounted Low Assessment Accrual as of 12/31/2009	Discounted Point Assessment Accrual as of 12/31/2009	Discounted High Assessment Accrual as of 12/31/2009
2001	29,848	31,419	32,990	0.8473	25,290	26,621	27,952
2002	98,573	103,761	108,949	0.8324	82,052	86,371	90,689
2003	226,471	238,390	250,310	0.8138	184,302	194,002	203,702
2004	567,839	597,725	627,611	0.8268	469,489	494,199	518,909
2005	553,112	582,223	611,334	0.8129	449,625	473,289	496,953
2006	888,073	934,814	981,555	0.8120	721,115	759,069	797,023
2007	1,231,831	1,296,664	1,361,497	0.8064	993,349	1,045,630	1,097,911
2008	1,420,489	1,495,252	1,570,015	0.8064	1,145,482	1,205,771	1,266,060
<b>Total</b>	<b>5,016,236</b>	<b>5,280,248</b>	<b>5,544,261</b>		<b>4,070,704</b>	<b>4,284,952</b>	<b>4,499,199</b>

- Notes: Net of anticipated salvage and subrogation recoveries.  
 (2), (3), (4): Exhibit 1, Sheet 3; Excludes Second-Injury Fund Savings  
 (5), (16): Discount factors are based on interest rates from First Cardinal, LLC  
 (6): = (2) x (5); Excludes Second-Injury Fund Savings  
 (7): = (3) x (5); Excludes Second-Injury Fund Savings  
 (8): = (4) x (5); Excludes Second-Injury Fund Savings  
 (9): = (6) - (8) from Exhibit 8, Sheet 1  
 (10): = (7) - (9) from Exhibit 8, Sheet 1  
 (11): = (8) - (10) from Exhibit 8, Sheet 1  
 (12): Exhibit 10, Sheet 1 + Exhibit 10, Sheet 2; Low = 95% of Point; High = 110% of Point  
 (13), (14), (15): Exhibit 3  
 (17): = (13) x (16)  
 (18): = (14) x (16)  
 (19): = (15) x (16)



Summary of Loss & ALAE Reserves as of 12/31/09 using IRS Discount Factors

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Undiscounted Loss & ALAE Reserves Including Second-Injury Fund Savings			Discounted Loss & ALAE Reserves Including Second-Injury Fund Savings		
Accident Year Ending 12/31/XX	Low Estimate	Point Estimate	High Estimate	Low Estimate	Point Estimate	High Estimate
2001	281,063	295,063	342,705	192,788	202,375	235,741
2002	558,271	592,164	732,369	481,825	510,962	629,285
2003	0	0	0	0	0	0
2004	5,787,500	6,100,385	7,044,644	4,869,039	5,132,210	5,921,931
2005	5,096,498	5,382,516	6,294,882	4,289,231	4,529,256	5,287,062
2006	9,695,388	10,239,259	12,883,081	8,202,827	8,662,837	10,891,130
2007	12,682,893	13,398,542	17,070,373	10,614,952	11,213,830	14,281,705
2008	17,442,409	18,378,794	23,741,065	14,839,810	15,636,476	20,198,637
<b>Total</b>	<b>51,544,022</b>	<b>54,386,724</b>	<b>68,109,119</b>	<b>43,490,472</b>	<b>45,887,946</b>	<b>57,445,491</b>
Total minus latest year	34,101,613	36,007,930	44,368,054	28,650,662	30,251,470	37,246,854

(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Undiscounted Assessment Accrual			Discounted Assessment Accrual		
Accident Year Ending 12/31/XX	Low Estimate	Point Estimate	High Estimate	Low Estimate	Point Estimate	High Estimate
2001	29,848	31,419	32,990	21,098	22,209	23,319
2002	98,573	103,761	108,949	82,693	87,045	91,397
2003	226,471	238,390	250,310	188,174	198,077	207,981
2004	567,839	597,725	627,611	473,565	498,489	523,413
2005	553,112	582,223	611,334	457,239	481,304	505,369
2006	888,073	934,814	981,555	747,810	787,169	826,527
2007	1,231,831	1,296,664	1,361,497	1,028,823	1,082,971	1,137,120
2008	1,420,489	1,495,252	1,570,015	1,208,536	1,272,144	1,335,751
<b>Total</b>	<b>5,016,236</b>	<b>5,280,248</b>	<b>5,544,261</b>	<b>4,207,938</b>	<b>4,429,408</b>	<b>4,650,877</b>
Total minus latest year	3,595,747	3,784,996	3,974,246	2,999,402	3,157,264	3,315,126

Notes: Net of anticipated salvage and subrogation recoveries.

(2): = (2) from Exhibit 1, Sheet 3 - (2) from Exhibit 8, Sheet 1

(3): = (3) from Exhibit 1, Sheet 3 - (3) from Exhibit 8, Sheet 1

(4): = (4) from Exhibit 1, Sheet 3 - (4) from Exhibit 8, Sheet 1

(5): = (6) from Exhibit 1, Sheet 3 - (8) from Exhibit 8, Sheet 1

(6): = (7) from Exhibit 1, Sheet 3 - (9) from Exhibit 8, Sheet 1

(7): = (8) from Exhibit 1, Sheet 3 - (10) from Exhibit 8, Sheet 1

(9)-(11),(12)-(14): Exhibit 3

Summary of Discounted Loss & ALAE Reserves as of 12/31/2009 using IRS Discount Factors

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Accident Year Ending 12/31/XX	Estimated Low Loss & ALAE Reserves as of 12/31/2009	Estimated Point Loss & ALAE Reserves as of 12/31/2009	Estimated High Loss & ALAE Reserves as of 12/31/2009	Reserve Discount Factor	Discounted Low Loss & ALAE Reserves as of 12/31/2009	Discounted Point Loss & ALAE Reserves as of 12/31/2009	Discounted High Loss & ALAE Reserves as of 12/31/2009
2001	334,654	351,475	401,937	0.7069	236,553	248,443	284,112
2002	926,981	980,136	1,139,601	0.8389	777,646	822,237	956,013
2003	(0)	(0)	(0)	0.8309	0	0	0
2004	6,932,230	7,305,364	8,309,872	0.8340	5,781,320	6,092,506	6,930,242
2005	6,860,484	7,229,545	8,224,954	0.8267	5,671,329	5,976,419	6,799,290
2006	10,347,033	10,925,201	13,603,320	0.8421	8,712,813	9,199,664	11,454,798
2007	13,066,354	13,802,186	17,494,199	0.8352	10,912,993	11,527,558	14,611,120
2008	17,442,409	18,378,794	23,741,065	0.8508	14,839,810	15,636,476	20,198,637
<b>Total</b>	<b>55,910,145</b>	<b>58,972,701</b>	<b>72,914,948</b>		<b>46,932,464</b>	<b>49,503,303</b>	<b>61,234,212</b>

Notes: Net of anticipated salvage and subrogation recoveries.

(2) - (4): Exhibit 1, Sheet 4

(5): Discount factors are based on IRS publication

(6): = (2) x (5)

(7): = (3) x (5)

(8): = (4) x (5)

Calculation of Undiscounted Loss & ALAE Reserves as of 12/31/2009 Net of Salvage & Subrogation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Estimated Low Loss & ALAE Reserves as of 12/31/2009	Estimated Point Loss & ALAE Reserves as of 12/31/2009	Estimated High Loss & ALAE Reserves as of 12/31/2009	Low Salv/Subro Reserves	Point Salv/Subro Reserves	High Salv/Subro Reserves	Estimated Low Net Loss & ALAE Reserves as of 12/31/2009	Estimated Point Net Loss & ALAE Reserves as of 12/31/2009	Estimated High Net Loss & ALAE Reserves as of 12/31/2009
2001	352,752	371,318	427,016	18,098	19,843	25,079	334,654	351,475	401,937
2002	1,206,632	1,270,139	1,460,659	279,651	290,003	321,058	926,981	980,136	1,139,601
2003	0	0	0	0	0	0	(0)	(0)	(0)
2004	7,526,059	7,922,167	8,988,524	593,829	616,803	678,652	6,932,230	7,305,364	8,309,872
2005	7,475,639	7,869,094	8,930,298	615,155	639,549	705,344	6,860,484	7,229,545	8,224,954
2006	12,111,563	12,749,014	15,701,736	1,764,530	1,823,813	2,098,416	10,347,033	10,925,201	13,603,320
2007	15,691,133	16,516,982	20,660,655	2,624,779	2,714,796	3,166,456	13,066,354	13,802,186	17,494,199
2008	18,926,929	19,923,083	25,627,626	1,484,520	1,544,289	1,886,561	17,442,409	18,378,794	23,741,065
<b>Total</b>	<b>63,290,707</b>	<b>66,621,797</b>	<b>81,796,514</b>	<b>7,380,562</b>	<b>7,649,096</b>	<b>8,881,566</b>	<b>55,910,145</b>	<b>58,972,701</b>	<b>72,914,948</b>

Notes:

- (2) - (4): Exhibit 2, Sheet 1; Gross of anticipated salvage and subrogation recoveries
- (5) - (7): Exhibit 7, Sheet 1
- (8): = (2) - (5)
- (9): = (3) - (6)
- (10): = (4) - (7)
- (8) - (10): Net of anticipated salvage and subrogation recoveries

Estimated Payout of Reserves - Net of Salvage and Subrogation and Net of Second-Injury Fund Savings

Accident Year	Calendar Year 2010	Calendar Year 2011	Calendar Year 2012	Calendar Year 2013	Calendar Year 2014	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017	Calendar Year 2018	Calendar Year 2019	Calendar Year 2020	Calendar Year 2021	Calendar Year 2022	Calendar Year 2023	Calendar Year 2024	Calendar Year 2025	Calendar Year 2026	Total	Open Claims as of 12/31/09
1995																			
1996																			
1997																			
1998																			
1999																			
2000																			
2001	98,354	43,102	41,222	37,461	43,102	19,671	19,671	(3,761)	(1,880)	(1,880)								295,062	6
2002	107,931	161,411	86,734	75,649	53,479	86,734	32,282	32,282	(22,170)	(11,085)	(11,085)							592,162	20
2003	0	0	0	0	0	0	0	0	0	0	0	0						0	40
2004	2,216,034	267,937	620,992	998,474	443,207	421,298	377,480	443,207	199,695	199,695	(43,817)	(21,909)	(21,909)					6,100,384	62
2005	637,000	1,801,723	149,256	487,744	768,931	360,345	333,959	281,186	360,345	153,786	153,786	(52,772)	(26,386)	(26,386)				5,382,517	60
2006	2,287,517	1,096,989	2,349,875	407,617	689,373	1,135,963	469,975	462,181	446,591	469,975	227,192	227,192	(15,590)	(7,795)	(7,795)			10,239,260	77
2007	2,461,051	2,436,832	1,194,197	2,469,124	461,534	732,665	1,214,380	493,825	489,789	481,716	493,825	242,876	242,876	(8,073)	(4,036)	(4,036)		13,398,545	130
2008	3,938,313	2,625,542	2,625,542	1,312,771	2,625,542	525,108	787,663	1,312,771	525,108	525,108	525,108	525,108	262,554	262,554	0	0	0	18,378,792	199
Total	11,746,200	8,433,536	7,067,818	5,788,840	5,085,168	3,281,784	3,235,410	3,021,691	1,997,478	1,817,315	1,345,009	920,495	441,545	220,300	(11,831)	(4,036)	0	54,386,722	594

Notes: (C) From Exhibit 1, Sheet 6 - (C) From Exhibit 1, Sheet 7

First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Exhibit 1  
 Sheet 6

Estimated Payout of Reserves - Net of Salvage and Subrogation

Accident Year	(A) Selected Payout Pattern																(B) Estimated Loss & ALAE Reserves as of 12/31/09
	Calendar Year 2010	Calendar Year 2011	Calendar Year 2012	Calendar Year 2013	Calendar Year 2014	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017	Calendar Year 2018	Calendar Year 2019	Calendar Year 2020	Calendar Year 2021	Calendar Year 2022	Calendar Year 2023	Calendar Year 2024		
1995	1.000																
1996	0.500	0.500															
1997	0.500	0.250	0.250														
1998	0.333	0.333	0.167	0.167													
1999	0.250	0.250	0.250	0.125	0.125												
2000	0.200	0.200	0.200	0.200	0.100	0.100											
2001	0.333	0.133	0.133	0.133	0.133	0.067	0.067										351,475
2002	0.167	0.278	0.111	0.111	0.111	0.111	0.056	0.056									980,136
2003	0.100	0.150	0.250	0.100	0.100	0.100	0.100	0.050	0.050								0
2004	0.333	0.067	0.100	0.167	0.067	0.067	0.067	0.067	0.033	0.033							7,305,364
2005	0.143	0.286	0.057	0.086	0.143	0.057	0.057	0.057	0.057	0.029	0.029						7,229,545
2006	0.222	0.111	0.222	0.044	0.067	0.111	0.044	0.044	0.044	0.044	0.022	0.022					10,925,201
2007	0.182	0.182	0.091	0.182	0.036	0.055	0.091	0.036	0.036	0.036	0.036	0.018	0.018				13,802,186
2008	0.214	0.143	0.143	0.071	0.143	0.029	0.043	0.071	0.029	0.029	0.029	0.029	0.014	0.014			18,378,794
																	58,972,701

Accident Year	(C) Estimated Payout of Reserves																Total
	Calendar Year 2010	Calendar Year 2011	Calendar Year 2012	Calendar Year 2013	Calendar Year 2014	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017	Calendar Year 2018	Calendar Year 2019	Calendar Year 2020	Calendar Year 2021	Calendar Year 2022	Calendar Year 2023	Calendar Year 2024		
1995																	
1996																	
1997																	
1998																	
1999																	
2000																	
2001	117,158	46,863	46,863	46,863	46,863	23,432	23,432										351,474
2002	163,356	272,260	108,904	108,904	108,904	108,904	54,452	54,452									980,136
2003	0	0	0	0	0	0	0	0	0								0
2004	2,435,121	487,024	730,536	1,217,561	487,024	487,024	487,024	487,024	243,512	243,512							7,305,362
2005	1,032,792	2,065,584	413,117	619,675	1,032,792	413,117	413,117	413,117	413,117	206,558	206,558						7,229,544
2006	2,427,823	1,213,911	2,427,823	485,565	728,347	1,213,911	485,565	485,565	485,565	485,565	242,782	242,782					10,925,204
2007	2,509,488	2,509,488	1,254,744	2,509,488	501,898	752,847	1,254,744	501,898	501,898	501,898	250,949	250,949					13,802,187
2008	3,938,313	2,625,542	2,625,542	1,312,771	2,625,542	525,108	787,663	1,312,771	525,108	525,108	525,108	525,108	262,554	262,554			18,378,792
Total	#####	9,220,672	7,607,529	6,300,827	5,531,370	3,524,343	3,505,997	3,254,827	2,169,200	1,962,641	1,476,346	1,018,839	513,503	262,554			58,972,699

Notes:  
 (A): Based on selected payment pattern from Exhibit 9  
 (B): Exhibit 1, Sheet 3 (Reserves are net of Salvage and Subrogation)  
 (C): = (A) X (B)

First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Exhibit 1  
 Sheet 7

Estimated Payout of Second-Injury Fund Reserves

(A) Selected Payout Pattern																		(B) Total
Accident Year	Calendar Year 2010	Calendar Year 2011	Calendar Year 2012	Calendar Year 2013	Calendar Year 2014	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017	Calendar Year 2018	Calendar Year 2019	Calendar Year 2020	Calendar Year 2021	Calendar Year 2022	Calendar Year 2023	Calendar Year 2024	Calendar Year 2025	Calendar Year 2026	Second-Injury Fund Savings as of 12/31/09
1995	0.333	0.333	0.167	0.167														
1996	0.250	0.250	0.250	0.125	0.125													
1997	0.200	0.200	0.200	0.200	0.100	0.100												
1998	0.333	0.133	0.133	0.133	0.133	0.067	0.067											
1999	0.167	0.278	0.111	0.111	0.111	0.111	0.056	0.056										
2000	0.100	0.150	0.250	0.100	0.100	0.100	0.100	0.050	0.050									
2001	0.333	0.067	0.100	0.167	0.067	0.067	0.067	0.067	0.033	0.033								56,411
2002	0.143	0.286	0.057	0.086	0.143	0.057	0.057	0.057	0.057	0.029	0.029							387,972
2003	0.222	0.111	0.222	0.044	0.067	0.111	0.044	0.044	0.044	0.022	0.022	0.022						0
2004	0.182	0.182	0.091	0.182	0.036	0.055	0.091	0.036	0.036	0.036	0.036	0.018	0.018					1,204,979
2005	0.214	0.143	0.143	0.071	0.143	0.029	0.043	0.071	0.029	0.029	0.029	0.029	0.014	0.014				1,847,029
2006	0.205	0.170	0.114	0.114	0.057	0.114	0.023	0.034	0.057	0.023	0.023	0.023	0.023	0.011	0.011			685,942
2007	0.120	0.180	0.150	0.100	0.100	0.050	0.100	0.020	0.030	0.050	0.020	0.020	0.020	0.020	0.020	0.010	0.010	403,644
2008	0.000	0.120	0.180	0.150	0.100	0.100	0.050	0.100	0.020	0.030	0.050	0.020	0.020	0.020	0.020	0.010	0.010	0
																		4,585,977

(C) Estimated Payout of Reserves																		Total
Accident Year	Calendar Year 2010	Calendar Year 2011	Calendar Year 2012	Calendar Year 2013	Calendar Year 2014	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017	Calendar Year 2018	Calendar Year 2019	Calendar Year 2020	Calendar Year 2021	Calendar Year 2022	Calendar Year 2023	Calendar Year 2024	Calendar Year 2025	Calendar Year 2026	Total
1995																		
1996																		
1997																		
1998																		
1999																		
2000																		
2001	18,804	3,761	5,641	9,402	3,761	3,761	3,761	3,761	1,880	1,880								56,412
2002	55,425	110,849	22,170	33,255	55,425	22,170	22,170	22,170	11,085	11,085	11,085							387,974
2003	0	0	0	0	0	0	0	0	0	0	0	0						0
2004	219,087	219,087	109,544	219,087	43,817	65,726	109,544	43,817	43,817	43,817	43,817	21,909	21,909					1,204,978
2005	395,792	263,861	263,861	131,931	263,861	52,772	79,158	131,931	52,772	52,772	52,772	52,772	26,386	26,386				1,847,027
2006	140,306	116,922	77,948	77,948	38,974	77,948	15,590	23,384	38,974	15,590	15,590	15,590	15,590	7,795	7,795			685,944
2007	48,437	72,656	60,547	40,364	40,364	20,182	40,364	8,073	12,109	20,182	8,073	8,073	8,073	8,073	4,036	4,036		403,642
2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	877,851	787,136	539,711	511,987	446,202	242,559	270,587	233,136	171,722	145,326	131,337	98,344	71,958	42,254	11,831	4,036	0	4,585,977

Notes:

- (A): Based on selected payment pattern from Exhibit 9 lagged an additional 3 years
- (B): Exhibit 8, Sheet 2; 2003 has Second-Injury Fund Savings removed for purposes of payout since the Aggregate has been reached
- (C): = (A) X (B)

First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Exhibit 2  
 Sheet 1

Summary of Undiscounted Loss & ALAE Reserves as of 12/31/2009

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Selected Point Ultimate Loss & ALAE	Selected High Ultimate Loss & ALAE	Paid Loss & ALAE as of 12/31/2009	Incurred Loss & ALAE as of 12/31/2009	Estimated Point Loss & ALAE Reserves as of 12/31/2009	Estimated Low Loss & ALAE Reserves as of 12/31/2009	Estimated High Loss & ALAE Reserves as of 12/31/2009	Manual Pure Premium	Loss Ratio (2) / (9)
2001	2,985,015	2,985,015	2,613,697	2,826,905	371,318	352,752	427,016	4,862,038	0.614
2002	9,006,778	9,006,778	7,736,639	8,238,596	1,270,139	1,206,632	1,460,659	10,197,432	0.883
2003	14,460,884	14,460,884	14,460,884	14,460,884	0	0	0	14,970,935	0.966
2004	23,293,884	23,187,824	15,371,717	19,920,767	7,922,167	7,526,059	8,988,524	19,092,521	1.220
2005	21,927,989	21,824,372	14,058,895	17,869,627	7,869,094	7,475,639	8,930,298	21,643,825	1.013
2006	27,524,666	28,429,335	14,775,652	20,686,838	12,749,014	12,111,563	15,701,736	22,799,648	1.207
2007	28,558,680	30,007,485	12,041,698	19,363,762	16,516,982	15,691,133	20,660,655	25,536,016	1.118
2008	28,882,298	31,244,107	8,959,215	16,792,195	19,923,083	18,926,929	25,627,626	26,348,127	1.096
<b>Total</b>	<b>156,640,194</b>	<b>161,145,800</b>	<b>90,018,396</b>	<b>120,159,573</b>	<b>66,621,797</b>	<b>63,290,707</b>	<b>81,796,514</b>	<b>145,450,542</b>	<b>1.077</b>

Notes: Gross of anticipated salvage and subrogation; Net of aggregate excess insurance

- (2): Exhibit 4, Sheet 1
- (3): Exhibit 4, Sheet 1a
- (4), (5): Provided by First Cardinal, LLC  
 Large Losses are limited to retention
- (6): = (2) - (4)
- (7): = (6) x 95.0%
- (8): = [(3) - (4)] x 115.0%
- (9): Provided by First Cardinal, LLC

**First Cardinal, LLC  
 NY Transportation Workers Compensation Trust**

**Retrospective Analysis - Net of Salvage and Subrogation**

(1)	(2)	(3)	(4)	(5)
Accident Year Ending 12/31/XX	Selected Ultimate Loss & ALAE as of 12/31/2009	Prior Ultimate Loss & ALAE as of 12/31/2008	Difference (2) - (3)	Percent Difference (4) / (3)
2001	2,704,424	2,694,471	9,953	0.4%
2002	7,538,673	7,861,669	(322,996)	(4.1%)
2003	13,237,161	13,401,002	(163,841)	(1.2%)
2004	21,942,839	22,162,541	(219,702)	(1.0%)
2005	20,568,454	21,693,970	(1,125,516)	(5.2%)
2006	24,964,872	25,340,136	(375,265)	(1.5%)
2007	25,445,784	25,524,298	(78,514)	(0.3%)
2008	27,149,360	25,329,778	1,819,582	7.2%
<b>Total</b>	<b>143,551,567</b>	<b>144,007,865</b>	<b>(456,299)</b>	<b>(0.3%)</b>

Notes:

(2): Exhibit 4, Sheet 1

(3): From prior Milliman analysis using data as of December 31, 2008



Summary of Assessment Accrual for 50-5 Claims as of 12/31/2009

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Accident Year Ending 12/31/XX	Incurred Indemnity Losses as of 12/31/09	Total Incurred Loss & ALAE as of 12/31/09	% to Total (2) / (3)	Selected Ratio	Estimated Ultimate Indemnity Reserves	Assessment Rate	Point Assessment Accrual	Low Assessment Accrual	High Assessment Accrual	Reserve Discount Factor	Discounted Point Assessment Accrual	Discounted Low Assessment Accrual	Discounted High Assessment Accrual
2001	1,952,627	3,064,175	63.70%	63.70%	236,530	13.28%	31,419	29,848	32,990	0.7069	22,209	21,098	23,319
2002	5,212,619	8,482,170	61.50%	61.50%	781,135	13.28%	103,761	98,573	108,949	0.8389	87,045	82,693	91,397
2003	10,874,496	19,467,257	55.90%	55.90%	1,794,643	13.28%	238,390	226,471	250,310	0.8309	198,077	188,174	207,981
2004	11,502,086	20,264,183	56.80%	56.80%	4,499,791	13.28%	597,725	567,839	627,611	0.8340	498,489	473,565	523,413
2005	10,404,337	18,680,622	55.70%	55.70%	4,383,085	13.28%	582,223	553,112	611,334	0.8267	481,304	457,239	505,369
2006	11,411,226	20,686,838	55.20%	55.20%	7,037,456	13.28%	934,814	888,073	981,555	0.8421	787,169	747,810	826,527
2007	11,479,059	19,415,028	59.10%	59.10%	9,761,536	13.28%	1,296,664	1,231,831	1,361,497	0.8352	1,082,971	1,028,823	1,137,120
2008	9,491,568	16,792,195	56.50%	56.50%	11,256,542	13.28%	1,495,252	1,420,489	1,570,015	0.8508	1,272,144	1,208,536	1,335,751
<b>Total</b>	<b>72,328,018</b>	<b>126,852,468</b>	<b>57.02%</b>		<b>39,750,719</b>		<b>5,280,248</b>	<b>5,016,236</b>	<b>5,544,261</b>		<b>4,429,408</b>	<b>4,207,938</b>	<b>4,650,877</b>

Notes:

(2),(3),(7): Based on information provided by First Cardinal, LLC

(6): = (6) from Exhibit 2, Sheet 1 x (5); 2003 = [(10) from Exhibit 4, Sheet 1 - (4) from Exhibit 4, Sheet 2 with large losses limited to retention] x (5)

(8): = (6) x (7)

(9): = (8) x 95.0%

(10): = (8) x 105.0%

(11): Discount factors are based on IRS publication

(12): = (8) x (11)

(13): = (9) x (11)

(14): = (10) x (11)

Summary of Methods - Point Estimate

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Estimated Ultimate Loss & ALAE Based on:										Estimated Ultimate Loss & ALAE Gross of Aggregate Excess Insurance	Estimated Ultimate Loss & ALAE Net of Aggregate Excess Insurance	Selected Increased Limit Factors	Selected Ultimate Loss & ALAE (11) x (13)
Accident Year Ending 12/31/XX	Paid Development	Adjusted Incurred Development	Expected Paid Emergence	Adjusted Expected Incurred Emergence	Weight to (2)	Weight to (3)	Weight to (4)	Weight to (5)	Excess Insurance	Excess Insurance	Specific Attachment	Limit Factors	Loss & ALAE (11) x (13)
2001	3,139,457	2,985,015	3,201,398	3,022,543	0.000	1.000	0.000	0.000	2,985,015	2,985,015	300,000	1.000	2,985,015
2002	9,336,027	9,006,778	9,378,691	9,055,035	0.000	1.000	0.000	0.000	9,006,778	9,006,778	400,000	1.000	9,006,778
2003	19,613,693	19,670,363	18,987,311	19,347,457	0.000	1.000	0.000	0.000	19,670,363	14,460,884	400,000	1.000	14,460,884
2004	21,705,726	23,293,884	22,889,630	23,696,054	0.000	1.000	0.000	0.000	23,293,884	23,293,884	600,000	1.000	23,293,884
2005	21,528,582	21,927,989	22,237,086	22,222,166	0.000	1.000	0.000	0.000	21,927,989	21,927,989	600,000	1.000	21,927,989
2006	26,581,122	26,722,467	27,618,378	27,238,980	0.000	0.500	0.000	0.500	26,980,724	26,980,724	750,000	1.020	27,524,666
2007	26,140,901	28,129,754	26,896,585	27,949,154	0.000	0.250	0.000	0.750	27,994,304	27,994,304	750,000	1.020	28,558,680
2008	28,714,800	28,441,168	28,326,931	28,311,527	0.000	0.000	0.000	1.000	28,311,527	28,311,527	750,000	1.020	28,882,298
<b>Total</b>	<b>156,760,308</b>	<b>160,177,418</b>	<b>159,536,010</b>	<b>160,842,916</b>					<b>160,170,584</b>	<b>154,961,105</b>			<b>156,640,194</b>

Notes:

- (2): Exhibit 4, Sheet 2
- (3): Exhibit 4, Sheet 3
- (4): Exhibit 4, Sheet 4
- (5): Exhibit 4, Sheet 5
- (10): = [(2) x (6)] + [(3) x (7)] + [(4) x (8)] + [(5) x (9)]
- (11): = (10) subject to Aggregate Excess Insurance. Terms provided by First Cardinal, LLC

First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Exhibit 4  
 Sheet 1a

Summary of Methods - High Estimate

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Estimated Ultimate Loss & ALAE Based on:										Estimated Ultimate Loss & ALAE Gross of Excess Insurance	Estimated Ultimate Loss & ALAE Net of Excess Insurance	Selected Increased Limit Factors	Selected Ultimate Loss & ALAE (11) x (13)
Accident Year Ending 12/31/XX	Paid Development	Incurred Development	Expected Paid Emergence	Expected Incurred Emergence	Weight to (2)	Weight to (3)	Weight to (4)	Weight to (5)	Aggregate Excess Insurance	Aggregate Excess Insurance	Specific Attachment	Limit Factors	Loss & ALAE (11) x (13)
2001	3,139,457	2,985,015	3,201,398	3,022,543	0.000	1.000	0.000	0.000	2,985,015	2,985,015	300,000	1.000	2,985,015
2002	9,336,027	9,006,778	9,378,691	9,055,035	0.000	1.000	0.000	0.000	9,006,778	9,006,778	400,000	1.000	9,006,778
2003	19,613,693	19,670,363	18,987,311	19,993,079	0.000	1.000	0.000	0.000	19,670,363	14,460,884	400,000	1.000	14,460,884
2004	21,705,726	23,187,824	22,889,630	23,602,046	0.000	1.000	0.000	0.000	23,187,824	23,187,824	600,000	1.000	23,187,824
2005	21,528,582	21,824,372	22,237,086	22,365,101	0.000	1.000	0.000	0.000	21,824,372	21,824,372	600,000	1.000	21,824,372
2006	26,581,122	27,541,158	27,618,378	28,193,871	0.000	0.500	0.000	0.500	27,867,515	27,867,515	750,000	1.020	28,429,335
2007	26,140,901	29,544,400	26,896,585	29,371,170	0.000	0.250	0.000	0.750	29,414,478	29,414,478	750,000	1.020	30,007,485
2008	28,714,800	31,314,508	28,326,931	30,397,380	0.000	0.250	0.000	0.750	30,626,662	30,626,662	750,000	1.020	31,244,107
<b>Total</b>	<b>156,760,308</b>	<b>165,074,418</b>	<b>159,536,010</b>	<b>166,000,225</b>					<b>164,583,007</b>	<b>159,373,528</b>			<b>161,145,800</b>

Notes:

- (2): Exhibit 4, Sheet 2
- (3): Exhibit 4, Sheet 3a
- (4): Exhibit 4, Sheet 4
- (5): Exhibit 4, Sheet 5a
- (10): = [(2) x (6)] + [(3) x (7)] + [(4) x (8)] + [(5) x (9)]
- (11): = (10) subject to Aggregate Excess Insurance. Terms provided by First Cardinal, LLC

First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Paid Development Method

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Accident Year Ending 12/31/XX	Age (in Months)	Specific Attachment	Paid Loss & ALAE as of 12/31/2009	Number of Large Losses	Paid Large Loss & ALAE as of 12/31/2009	Cumulative Development Factors	Estimated Ultimate Loss & ALAE
2001	108	300,000	2,613,697	2	445,074	1.171	3,139,457
2002	96	400,000	7,980,214	1	643,574	1.218	9,336,027
2003	84	400,000	16,928,407	6	3,594,795	1.291	19,613,693
2004	72	600,000	15,371,717	4	1,462,692	1.388	21,705,726
2005	60	600,000	14,869,890	1	1,410,995	1.555	21,528,582
2006	48	600,000	14,775,652	3	915,964	1.788	26,581,122
2007	36	600,000	12,041,698	1	331,060	2.181	26,140,901
2008	24	600,000	8,959,215	2	317,632	3.184	28,714,800
<b>Total</b>			<b>93,540,488</b>	<b>20</b>	<b>9,121,785</b>		<b>156,760,308</b>

Notes:

(3)-(6): Provided by First Cardinal, LLC

(7): Exhibit 5, Sheet 1

(8): = ((4) - (6)) x (7) + (3) x (5)

**First Cardinal, LLC  
NY Transportation Workers Compensation Trust**

**Adjusted Incurred Development Method**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Accident Year Ending 12/31/XX	Age (in Months)	Specific Attachment	Incurred Loss & ALAE as of 12/31/2009	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2009	Cumulative Development Factors	Estimated Ultimate Loss & ALAE
2001	108	300,000	3,064,175	2	837,270	1.071	2,985,015
2002	96	400,000	8,482,170	1	643,574	1.098	9,006,778
2003	84	400,000	19,467,257	6	4,197,264	1.131	19,670,363
2004	72	600,000	20,264,183	4	2,587,462	1.182	23,293,884
2005	60	600,000	18,680,622	1	1,410,995	1.235	21,927,989
2006	48	600,000	20,686,838	3	1,647,520	1.309	26,722,467
2007	36	600,000	19,415,028	1	801,266	1.479	28,129,754
2008	24	600,000	16,792,195	2	917,389	1.716	28,441,168
<b>Total</b>			<b>126,852,468</b>	<b>20</b>	<b>13,042,740</b>		<b>160,177,418</b>

Notes:

(3)-(6): Provided by First Cardinal, LLC

(7): Exhibit 5, Sheet 2a

(8): = ((4) - (6)) x (7) + (3) x (5)

**First Cardinal, LLC  
NY Transportation Workers Compensation Trust**

**Exhibit 4  
Sheet 3a**

**Incurred Development Method**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Accident Year Ending 12/31/XX	Age (in Months)	Specific Attachment	Incurred Loss & ALAE as of 12/31/2009	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2009	Cumulative Development Factors	Estimated Ultimate Loss & ALAE
2002	96	400,000	8,482,170	1	643,574	1.098	9,006,778
2003	84	400,000	19,467,257	6	4,197,264	1.131	19,670,363
2004	72	600,000	20,264,183	4	2,587,462	1.176	23,187,824
2005	60	600,000	18,680,622	1	1,410,995	1.229	21,824,372
2006	48	600,000	20,686,838	3	1,647,520	1.352	27,541,158
2007	36	600,000	19,415,028	1	801,266	1.555	29,544,400
2008	24	600,000	16,792,195	2	917,389	1.897	31,314,508
<b>Total</b>			<b>126,852,468</b>	<b>20</b>	<b>13,042,740</b>		<b>165,074,418</b>

**Notes:**

(3)-(6): Provided by First Cardinal, LLC

(7): Exhibit 5, Sheet 2

(8): = ((4) - (6)) x (7) + (3) x (5)

**First Cardinal, LLC  
NY Transportation Workers Compensation Trust**

**Exhibit 4  
Sheet 4**

**Expected Paid Emergence Method**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Specific Attachment	Expected Loss & ALAE	Cumulative Development Factors	Remaining Development 1.0 - [1.0 / (4)]	Remaining Reserves (3) x (5)	Paid Loss & ALAE as of 12/31/2009	Number of Large Losses	Paid Large Loss & ALAE as of 12/31/2009	Estimated Ultimate Loss & ALAE
2001	300,000	2,964,214	1.171	0.146	432,775	2,613,697	2	445,074	3,201,398
2002	400,000	9,173,476	1.218	0.179	1,642,052	7,980,214	1	643,574	9,378,691
2003	400,000	14,460,884	1.291	0.225	3,253,699	16,928,407	6	3,594,795	18,987,311
2004	600,000	23,502,164	1.388	0.280	6,580,606	15,371,717	4	1,462,692	22,889,630
2005	600,000	22,908,099	1.555	0.357	8,178,191	14,869,890	1	1,410,995	22,237,086
2006	600,000	27,117,211	1.788	0.441	11,958,690	14,775,652	3	915,964	27,618,378
2007	600,000	26,961,085	2.181	0.541	14,585,947	12,041,698	1	331,060	26,896,585
2008	600,000	26,946,572	3.184	0.686	18,485,348	8,959,215	2	317,632	28,326,931
<b>Total</b>		<b>154,033,705</b>			<b>65,117,308</b>	<b>93,540,488</b>	<b>20</b>	<b>9,121,785</b>	<b>159,536,010</b>

**Notes:**

(2),(7)-(9): Provided by First Cardinal, LLC

(3): From prior Milliman analysis using data as of December 31, 2008

(4): Exhibit 4, Sheet 2

(10): = (6) + ((7) - (9)) + (2) x (8)

First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Adjusted Expected Incurred Emergence Method

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Specific Attachment	Expected Loss & ALAE	Cumulative Development Factors	Remaining Development 1.0 - [1.0 / (4)]	Remaining Reserves (3) × (5)	Incurred Loss & ALAE as of 12/31/2009	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2009	Estimated Ultimate Loss & ALAE
2001	300,000	2,964,214	1.071	0.066	195,638	3,064,175	2	837,270	3,022,543
2002	400,000	9,173,476	1.098	0.089	816,439	8,482,170	1	643,574	9,055,035
2003	400,000	14,460,884	1.131	0.116	1,677,463	19,467,257	6	4,197,264	19,347,457
2004	600,000	23,502,164	1.182	0.154	3,619,333	20,264,183	4	2,587,462	23,696,054
2005	600,000	22,908,099	1.235	0.190	4,352,539	18,680,622	1	1,410,995	22,222,166
2006	600,000	27,117,211	1.309	0.236	6,399,662	20,686,838	3	1,647,520	27,238,980
2007	600,000	26,961,085	1.479	0.324	8,735,392	19,415,028	1	801,266	27,949,154
2008	600,000	26,946,572	1.716	0.417	11,236,721	16,792,195	2	917,389	28,311,527
<b>Total</b>		<b>154,033,705</b>			<b>37,033,187</b>	<b>126,852,468</b>	<b>20</b>	<b>13,042,740</b>	<b>160,842,916</b>

Notes:  
 (2),(7)-(9): Provided by First Cardinal, LLC  
 (3): From prior Milliman analysis using data as of December 31, 2008  
 (4): Exhibit 4, Sheet 3  
 (10): = (6) + ((7) - (9)) + (2) x (8)



First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Expected Incurred Emergence Method

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Specific Attachment	Expected Loss & ALAE	Cumulative Development Factors	Remaining Development 1.0 - [1.0 / (4)]	Remaining Reserves (3) × (5)	Incurred Loss & ALAE as of 12/31/2009	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2009	Estimated Ultimate Loss & ALAE
2002	400,000	9,173,476	1.098	0.089	816,439	8,482,170	1	643,574	9,055,035
2003	400,000	20,026,594	1.131	0.116	2,323,085	19,467,257	6	4,197,264	19,993,079
2004	600,000	23,502,164	1.176	0.150	3,525,325	20,264,183	4	2,587,462	23,602,046
2005	600,000	24,169,214	1.229	0.186	4,495,474	18,680,622	1	1,410,995	22,365,101
2006	600,000	28,286,741	1.352	0.260	7,354,553	20,686,838	3	1,647,520	28,193,871
2007	600,000	28,452,124	1.555	0.357	10,157,408	19,415,028	1	801,266	29,371,170
2008	600,000	28,166,118	1.897	0.473	13,322,574	16,792,195	2	917,389	30,397,380
<b>Total</b>		<b>164,740,645</b>			<b>42,190,496</b>	<b>126,852,468</b>	<b>20</b>	<b>13,042,740</b>	<b>166,000,225</b>

Notes:  
 (2),(7)-(9): Provided by First Cardinal, LLC  
 (3): From prior Milliman analysis using data as of December 31, 2008  
 (4): Exhibit 4, Sheet 3a  
 (10): = (6) + ((7) - (9)) + (2) x (8)

First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Cumulative Paid Loss & ALAE

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	(14) at 168 Months	(15) at 180 Months	(16)
1995																
1996																
1997																
1998																
1999																
2000																
2001	301,028	851,486	1,469,227	1,749,330	2,052,265	2,210,210	2,441,988	2,535,587	2,613,697							
2002	983,821	2,889,363	4,331,352	5,408,395	6,191,952	6,986,703	7,550,176	7,980,214								
2003	2,324,727	6,824,242	9,782,488	11,762,805	13,671,598	15,835,387	16,928,407									
2004	2,580,693	6,514,850	9,753,268	12,175,221	14,060,101	15,371,717										
2005	3,361,557	7,844,999	11,085,918	13,321,801	14,869,890											
2006	3,679,969	8,467,592	12,262,485	14,775,652												
2007	3,169,631	8,198,771	12,041,698													
2008	3,563,522	8,959,215														

Development Factors

Accident Year	12-24 Months	24-36 Months	36-48 Months	48-60 Months	60-72 Months	72-84 Months	84-96 Months	96-108 Months	108-120 Months	120-132 Months	132-144 Months	144-156 Months	156-168 Months	168-180 Months	180-Ult Months
1995															
1996															
1997															
1998															
1999															
2000															
2001	2.829	1.725	1.191	1.173	1.077	1.105	1.038	1.031							
2002	2.937	1.499	1.249	1.145	1.128	1.081	1.057								
2003	2.936	1.433	1.202	1.162	1.158	1.069									
2004	2.524	1.497	1.248	1.155	1.093										
2005	2.334	1.413	1.202	1.116											
2006	2.301	1.448	1.205												
2007	2.587	1.469													
2008	2.514														
Straight Average	2.620	1.498	1.216	1.150	1.114	1.085	1.048	1.031							
Latest 5 Excl Hi/Lo	2.457	1.450	1.218	1.154											
Weighted Average	2.532	1.460	1.216	1.145	1.123	1.075	1.052	1.031							
Average, Latest 5	2.452	1.452													
Average, Latest 3	2.467	1.443	1.218	1.144											
Wtd Avg, Latest 5	2.445	1.451													
Wtd Avg, Latest 3	2.461	1.444	1.217	1.143											
Wtd Avg, Latest 2	2.548	1.458	1.203	1.135	1.125	1.073		1.031							
Industry Averages	2.459	1.451	1.218	1.135	1.094	1.065	1.053	1.480							
Prior Selected	2.500	1.460	1.220	1.160	1.120	1.080	1.060	1.040	1.030	1.025	1.020	1.020	1.010	1.050	
Overall Selected	2.450	1.480	1.230	1.160	1.100	1.075	1.060	1.045	1.030	1.025	1.020	1.020	1.015	1.010	1.040
Selected	2.500	1.460	1.220	1.150	1.120	1.075	1.060	1.040	1.030	1.025	1.020	1.020	1.015	1.010	
Cumulative	7.960	3.184	2.181	1.788	1.555	1.388	1.291	1.218	1.171	1.137	1.109	1.087	1.066	1.050	1.040

Notes: Data provided by First Cardinal, LLC

First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Cumulative Incurred Loss & ALAE - Unadjusted

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995															
1996															
1997															
1998															
1999															
2000															
2001	1,464,457	1,804,176	2,101,696	2,149,142	2,321,984	2,613,062	2,751,107	2,998,684	3,064,175						
2002	3,510,028	5,149,782	6,304,474	6,714,726	7,061,334	7,490,667	8,377,139	8,482,170							
2003	9,431,402	12,375,980	15,202,941	16,900,841	19,474,449	18,954,676	19,467,257								
2004	7,768,451	10,512,096	13,104,527	16,833,737	19,286,613	20,264,183									
2005	9,426,337	12,717,943	15,638,133	19,005,122	18,680,622										
2006	10,473,246	15,241,300	18,220,369	20,686,838											
2007	11,367,678	16,103,686	19,415,028												
2008	11,105,037	16,792,195													

Development Factors

Accident Year	12-24 Months	24-36 Months	36-48 Months	48-60 Months	60-72 Months	72-84 Months	84-96 Months	96-108 Months	108-120 Months	120-132 Months	132-144 Months	144-156 Months	156-168 Months	168-180 Months	180-Ult Months
1995															
1996															
1997															
1998															
1999															
2000															
2001	1.232	1.165	1.023	1.080	1.125	1.053	1.090	1.022							
2002	1.467	1.224	1.065	1.052	1.061	1.118	1.013								
2003	1.312	1.228	1.112	1.152	0.973	1.027									
2004	1.353	1.247	1.285	1.146	1.051										
2005	1.349	1.230	1.215	0.983											
2006	1.455	1.195	1.135												
2007	1.417	1.206													
2008	1.512														
Straight Average	1.387	1.214	1.139	1.083	1.053	1.066	1.052	1.022							
Latest 5 Excl Hi/Lo	1.408	1.221	1.154	1.093											
Weighted Average	1.405	1.218	1.166	1.085	1.024	1.053	1.032	1.022							
Average, Latest 5	1.417	1.221	1.162												
Average, Latest 3	1.461	1.210	1.212	1.094	1.028										
Wtd Avg, Latest 5	1.423	1.219													
Wtd Avg, Latest 3	1.461	1.209	1.204	1.089											
Wtd Avg, Latest 2	1.464	1.201	1.172	1.059	1.012	1.053		1.022							
Industry Averages	1.545	1.233	1.112	1.061	1.063	1.041	1.024	1.203							
Prior Selected	1.400	1.220	1.150	1.120	1.045	1.045	1.030	1.025	1.020	1.010	1.010	1.010	1.005	1.015	
Overall Selected	1.350	1.220	1.120	1.095	1.040	1.040	1.035	1.030	1.025	1.015	1.015	1.010	1.005	1.000	1.015
Selected	1.420	1.220	1.150	1.100	1.045	1.040	1.030	1.025	1.020	1.010	1.010	1.010	1.005	1.000	
Cumulative	2.694	1.897	1.555	1.352	1.229	1.176	1.131	1.098	1.071	1.050	1.040	1.030	1.020	1.015	1.015

Notes: Data provided by First Cardinal, LLC

First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Cumulative Incurred Loss & ALAE - Adjusted

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995															
1996															
1997															
1998															
1999															
2000															
2001	1,515,682	2,250,178	2,654,294	2,651,588	2,627,031	2,687,374	2,729,838	2,655,101	3,064,177						
2002	4,441,828	6,002,852	6,953,315	7,682,084	7,344,098	8,346,620	8,638,251	8,482,174							
2003	7,391,430	12,067,238	14,495,353	16,869,133	17,012,818	19,818,514	19,467,247								
2004	7,306,394	12,635,277	15,681,680	18,650,973	18,415,210	20,264,199									
2005	9,510,768	14,237,445	17,053,526	19,682,661	18,680,610										
2006	10,376,368	16,679,165	18,906,594	20,686,865											
2007	10,888,869	16,970,874	19,415,038												
2008	11,104,882	16,792,253													

Development Factors

Accident Year	12-24 Months	24-36 Months	36-48 Months	48-60 Months	60-72 Months	72-84 Months	84-96 Months	96-108 Months	108-120 Months	120-132 Months	132-144 Months	144-156 Months	156-168 Months	168-180 Months	180-Ult Months
1995															
1996															
1997															
1998															
1999															
2000															
2001	1.485	1.180	0.999	0.991	1.023	1.016	0.973	1.154							
2002	1.351	1.158	1.105	0.956	1.137	1.035	0.982								
2003	1.633	1.201	1.164	1.009	1.165	0.982									
2004	1.729	1.241	1.189	0.987	1.100										
2005	1.497	1.198	1.154	0.949											
2006	1.607	1.134	1.094												
2007	1.559	1.144													
2008	1.512														
Weighted Average	1.561	1.177	1.138	0.978	1.126	0.999	0.980	1.154							
Average, Latest 5	1.581	1.184	1.141	0.978	1.106	1.011	0.978	1.154							
Average, Latest 3	1.559	1.159	1.146	0.982	1.134	1.011	0.978	1.154							
Average, Latest 5	1.572	1.179	1.143	0.978	1.126	0.999	0.980	1.154							
Average, Latest 3	1.558	1.156	1.143	0.980	1.132	0.999	0.980	1.154							
Average, Latest 2	1.535	1.139	1.123	0.968	1.131	0.998	0.980	1.154							
Industry Averages	1.545	1.233	1.112	1.061	1.063	1.041	1.024	1.203							
Prior Selected	1.375	1.230	1.100	1.080	1.050	1.045	1.030	1.025	1.020	1.010	1.005	1.005	1.015		
Overall Selected	1.350	1.220	1.120	1.095	1.040	1.040	1.035	1.030	1.025	1.015	1.015	1.010	1.005	1.000	1.015
Selected	1.560	1.160	1.130	1.060	1.045	1.045	1.030	1.025	1.020	1.010	1.010	1.010	1.005	1.000	
Cumulative	2.677	1.716	1.479	1.309	1.235	1.182	1.131	1.098	1.071	1.050	1.040	1.030	1.020	1.015	1.015

Note: Revised Incurred Loss & ALAE = Paid Loss & ALAE provided by First Cardinal, LLC + Revised Case Outstanding from Exhibit 5, Sheet 3

First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Detrended Case Outstanding per Open Claim

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months
1995														
1996														
1997														
1998														
1999														
2000														
2001	12,522	27,974	42,324	60,151	52,251	68,166	57,570	23,903	75,080					
2002	13,148	29,373	44,440	63,158	54,864	71,575	60,449	25,098						
2003	13,806	30,841	46,662	66,316	57,607	75,153	63,471							
2004	14,496	32,383	48,995	69,632	60,488	78,911								
2005	15,221	34,002	51,445	73,113	63,512									
2006	15,982	35,702	54,017	76,769										
2007	16,781	37,488	56,718											
2008	17,620	39,362												

Adjusted Case Outstanding

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months
1995														
1996														
1997														
1998														
1999														
2000														
2001	1,214,654	1,398,692	1,185,068	902,258	574,766	477,164	287,850	119,514	450,480					
2002	3,458,007	3,113,488	2,621,962	2,273,690	1,152,145	1,359,917	1,088,074	501,960						
2003	5,066,703	5,242,997	4,712,866	5,106,328	3,341,221	3,983,127	2,538,840							
2004	4,725,702	6,120,428	5,928,412	6,475,752	4,355,109	4,892,482								
2005	6,149,211	6,392,447	5,967,608	6,360,860	3,810,720									
2006	6,696,399	8,211,574	6,644,109	5,911,213										
2007	7,719,238	8,772,103	7,373,340											
2008	7,541,360	7,833,038												

**First Cardinal, LLC  
 NY Transportation Workers Compensation Trust**

**Open Claims**

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995															
1996															
1997															
1998															
1999															
2000															
2001	97	50	28	15	11	7	5	5	6						
2002	263	106	59	36	21	19	18	20							
2003	367	170	101	77	58	53	40								
2004	326	189	121	93	72	62									
2005	404	188	116	87	60										
2006	419	230	123	77											
2007	460	234	130												
2008	428	199													

Note: Data provided by First Cardinal, LLC

First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Diagnostics: Case Reserves and Paid to Incurred Ratios

Case Reserves

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995															
1996															
1997															
1998															
1999															
2000															
2001	1,163,429	952,690	632,469	399,812	269,719	402,852	309,119	463,097	450,478						
2002	2,526,207	2,260,419	1,973,121	1,306,331	869,381	503,964	826,962	501,956							
2003	7,106,675	5,551,738	5,420,454	5,138,036	5,802,851	3,119,289	2,538,850								
2004	5,187,758	3,997,247	3,351,259	4,658,516	5,226,512	4,892,466									
2005	6,064,780	4,872,944	4,552,215	5,683,321	3,810,732										
2006	6,793,277	6,773,709	5,957,884	5,911,186											
2007	8,198,047	7,904,915	7,373,330												
2008	7,541,515	7,832,980													

Paid to Incurred Ratios

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995															
1996															
1997															
1998															
1999															
2000															
2001	0.206	0.472	0.699	0.814	0.884	0.846	0.888	0.846	0.853						
2002	0.280	0.561	0.687	0.805	0.877	0.933	0.901	0.941							
2003	0.246	0.551	0.643	0.696	0.702	0.835	0.870								
2004	0.332	0.620	0.744	0.723	0.729	0.759									
2005	0.357	0.617	0.709	0.701	0.796										
2006	0.351	0.556	0.673	0.714											
2007	0.279	0.509	0.620												
2008	0.321	0.534													

Diagnostics: Case Outstanding per Open Claim and Closed to Reported Claim Ratios

Case Outstanding per Open Claim

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995															
1996															
1997															
1998															
1999															
2000															
2001	11,994	19,054	22,588	26,654	24,520	57,550	61,824	92,619	75,080						
2002	9,605	21,325	33,443	36,287	41,399	26,524	45,942	25,098							
2003	19,364	32,657	53,668	66,728	100,049	58,855	63,471								
2004	15,913	21,149	27,696	50,092	72,590	78,911									
2005	15,012	25,920	39,243	65,326	63,512										
2006	16,213	29,451	48,438	76,769											
2007	17,822	33,782	56,718												
2008	17,620	39,362													
Exponential Trend															
All Years	6.4%	9.0%	12.1%	21.3%	28.0%	19.1%	1.3%	-	-						
Latest 5	3.8%	16.3%	6.9%	15.9%	28.0%	-	-	-	-						

Closed to Reported Claim Ratios

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995															
1996															
1997															
1998															
1999															
2000															
2001	0.370	0.731	0.851	0.920	0.942	0.963	0.974	0.974	0.968						
2002	0.443	0.802	0.890	0.933	0.961	0.965	0.966	0.963							
2003	0.490	0.783	0.872	0.903	0.927	0.933	0.950								
2004	0.577	0.773	0.856	0.890	0.915	0.927									
2005	0.501	0.788	0.870	0.903	0.933										
2006	0.478	0.735	0.859	0.912											
2007	0.501	0.769	0.872												
2008	0.473	0.775													



First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Exhibit 7  
 Sheet 1

Estimation of Salvage and Subrogation Reserves as of 12/31/09

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Accident Year Ending 12/31/XX	Estimated Low Ultimate Loss & ALAE	Estimated Point Ultimate Loss & ALAE	Estimated High Ultimate Loss & ALAE	Selected Ratio of Salv/Subro to Loss & ALAE	Low Ultimate Salv/Subro (2) x (5)	Point Ultimate Salv/Subro (3) x (5)	High Ultimate Salv/Subro (4) x (5)	Actual Recoveries	Low Salv/Subro Reserves (6) - (9)	Point Salv/Subro Reserves (7) - (9)	High Salv/Subro Reserves (8) - (9)
2001	2,966,449	2,985,015	3,040,713	0.094	278,846	280,591	285,827	260,748	18,098	19,843	25,079
2002	8,943,271	9,006,778	9,197,298	0.163	1,457,753	1,468,105	1,499,160	1,178,102	279,651	290,003	321,058
2003	14,460,884	14,460,884	14,460,884	0.085	1,223,723	1,223,723	1,223,723	1,223,723	0	0	0
2004	22,897,776	23,293,884	24,360,241	0.058	1,328,071	1,351,045	1,412,894	734,242	593,829	616,803	678,652
2005	21,534,534	21,927,989	22,989,193	0.062	1,335,141	1,359,535	1,425,330	719,986	615,155	639,549	705,344
2006	26,887,215	27,524,666	30,477,388	0.093	2,500,511	2,559,794	2,834,397	735,981	1,764,530	1,823,813	2,098,416
2007	27,732,831	28,558,680	32,702,353	0.109	3,022,879	3,112,896	3,564,556	398,100	2,624,779	2,714,796	3,166,456
2008	27,886,144	28,882,298	34,586,841	0.060	1,673,169	1,732,938	2,075,210	188,649	1,484,520	1,544,289	1,886,561
<b>Total</b>	<b>153,309,103</b>	<b>156,640,194</b>	<b>171,814,910</b>		<b>12,820,093</b>	<b>13,088,627</b>	<b>14,321,097</b>	<b>5,439,531</b>	<b>7,380,562</b>	<b>7,649,096</b>	<b>8,881,566</b>

Notes:

- (2),(3),(4): Based on Exhibit 2, Sheet 1; sum of paid loss and ALAE and range of reserve estimates
- (5): Exhibit 7, Sheet 2
- (9): Provided by First Cardinal, LLC

First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Calculation of Anticipated Salvage and Subrogation Recoveries

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Actual Recoveries	Paid Loss & ALAE	Ratio (1) / (2)	Actual and Anticipated Recoveries	Incurred Loss & ALAE	Ratio (4) / (5)	Weight to (3)	Weight to (6)	Weighted Ratio	Selected Ratio
2001	260,748	2,613,697	0.100	260,748	2,826,905	0.092	0.250	0.750	0.094	0.094
2002	1,178,102	7,736,639	0.152	1,371,201	8,238,596	0.166	0.250	0.750	0.163	0.163
2003	1,223,723	14,460,884	0.085	1,546,636	14,460,884	0.107	0.250	0.750	0.101	0.085
2004	734,242	15,371,717	0.048	1,243,337	19,920,767	0.062	0.250	0.750	0.058	0.058
2005	719,986	14,058,895	0.051	1,180,082	17,869,627	0.066	0.250	0.750	0.062	0.062
2006	735,981	14,775,652	0.050	2,242,080	20,686,838	0.108	0.250	0.750	0.093	0.093
2007	398,100	12,041,698	0.033	2,601,199	19,363,762	0.134	0.250	0.750	0.109	0.109
2008	188,649	8,959,215	0.021	1,048,192	16,792,195	0.062	0.250	0.750	0.052	0.060
<b>Total</b>	<b>5,439,531</b>	<b>90,018,396</b>	<b>0.060</b>	<b>11,493,473</b>	<b>120,159,573</b>	<b>0.096</b>				

Notes:

- (1), (4): Provided by First Cardinal, LLC; 2002, 2003, 2005 and 2007 have recoveries for large claims removed
- (2), (5): Provided by First Cardinal, LLC
- Large Losses are limited to retention
- (9): = (3) x (7) + (6) x (8)

Calculation of Discounted Second-Injury Fund Savings

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Estimated Undiscounted Low Loss & ALAE Savings	Estimated Undiscounted Point Loss & ALAE Savings	Estimated Undiscounted High Loss & ALAE Savings	Estimated Low Discount Factor	Estimated Point Discount Factor	Estimated High Discount Factor	Estimated Discounted Low Loss & ALAE Savings	Estimated Discounted Point Loss & ALAE Savings	Estimated Discounted High Loss & ALAE Savings
2001	53,591	56,411	59,232	0.8166	0.8166	0.8166	43,765	46,068	48,371
2002	368,711	387,972	407,233	0.8023	0.8023	0.8023	295,821	311,275	326,728
2003	579,682	610,191	640,701	0.7844	0.7844	0.7844	454,705	478,636	502,568
2004	1,144,730	1,204,979	1,265,228	0.7969	0.7969	0.7969	912,281	960,296	1,008,311
2005	1,763,986	1,847,029	1,930,072	0.7835	0.7835	0.7835	1,382,098	1,447,163	1,512,228
2006	651,645	685,942	720,239	0.7826	0.7826	0.7826	509,986	536,827	563,668
2007	383,461	403,644	423,826	0.7772	0.7772	0.7772	298,041	313,728	329,415
2008	0	0	0	0.7772	0.7772	0.7772	0	0	0
<b>Total</b>	<b>4,945,805</b>	<b>5,196,168</b>	<b>5,446,530</b>				<b>3,896,697</b>	<b>4,093,993</b>	<b>4,291,289</b>

Notes:

(2) - (4): Exhibit 8, Sheet 2

(5) - (7): Discount factors are based on interest rates from First Cardinal, LLC and are lagged an additional 3 years

(8): = (2) x (5)

(9): = (3) x (6)

(10): = (4) x (7)

Calculation of Second-Injury Fund Savings

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Selected "158" Ultimate Loss & ALAE	"Adjusted" "158" Paid Loss & ALAE as of 12/31/2009	Estimated Point "158" Loss & ALAE Reserves	Estimated Low "158" Loss & ALAE Reserves	Estimated High "158" Loss & ALAE Reserves	"146" Case Reserves as of 12/31/2009	Total Point Second-Injury Fund Savings	Total Low Second-Injury Fund Savings	Total High Second-Injury Fund Savings
2001	573,873	517,462	56,411	53,591	59,232	0	56,411	53,591	59,232
2002	2,066,113	1,680,889	385,224	365,963	404,485	2,748	387,972	368,711	407,233
2003	2,158,662	1,548,471	610,191	579,682	640,701	0	610,191	579,682	640,701
2004	3,184,576	1,979,597	1,204,979	1,144,730	1,265,228	0	1,204,979	1,144,730	1,265,228
2005	3,858,214	2,197,347	1,660,867	1,577,824	1,743,910	186,162	1,847,029	1,763,986	1,930,072
2006	1,651,480	965,538	685,942	651,645	720,239	0	685,942	651,645	720,239
2007	856,760	453,117	403,644	383,461	423,826	0	403,644	383,461	423,826
2008	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>14,349,678</b>	<b>9,342,419</b>	<b>5,007,259</b>	<b>4,756,896</b>	<b>5,257,621</b>	<b>188,909</b>	<b>5,196,168</b>	<b>4,945,805</b>	<b>5,446,530</b>

Notes:

- (2): Exhibit 8, Sheet 3
- (3): = (3) from Exhibit 8, Sheet 3 + (11) from Exhibit 8, Sheet 4
- (4): = (2) - (3)
- (5): = (4) x 95.0%
- (6): = (4) x 105.0%
- (7): Provided by First Cardinal, LLC
- (8): = (4) + (7)
- (9): = (5) + (7)
- (10): = (6) + (7)

Calculation of Ultimate "158" Second-Injury Fund Losses

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Accident Year Ending 12/31/XX	Age (in Months)	"158" Paid Loss & ALAE as of 12/31/2009	Cumulative Development Factors	Estimated "158" Ultimate Loss & ALAE	"158" Incurred Loss & ALAE as of 12/31/2009	Cumulative Development Factors	Estimated "158" Ultimate Loss & ALAE	Weight to (5)	Weight to (8)	Selected "158" Ultimate Loss & ALAE	Selected Total Ultimate Loss & ALAE	Selected Ratio of (11) / (12)
2001	108	517,462	1.171	605,947	535,829	1.071	573,873	0.000	1.000	573,873	2,985,015	0.192
2002	96	1,680,889	1.218	2,047,323	1,881,706	1.098	2,066,113	0.000	1.000	2,066,113	9,006,778	0.229
2003	84	1,548,471	1.291	1,999,076	1,908,631	1.131	2,158,662	0.000	1.000	2,158,662	14,460,884	0.149
2004	72	1,979,597	1.388	2,747,680	2,694,226	1.182	3,184,576	0.000	1.000	3,184,576	23,293,884	0.137
2005	60	2,070,169	1.555	3,219,113	3,124,060	1.235	3,858,214	0.000	1.000	3,858,214	21,927,989	0.176
2006	48	776,195	1.788	1,387,837	1,284,901	1.309	1,681,936	0.000	1.000	1,651,480	27,524,666	0.060
2007	36	286,444	2.181	624,734	676,194	1.479	1,000,090	0.000	1.000	856,760	28,558,680	0.030
2008	24	0	3.184	0	0	1.716	0	0.000	1.000	0	28,882,298	0.000
<b>Total</b>		<b>8,859,226</b>		<b>12,631,710</b>	<b>12,105,547</b>		<b>14,523,464</b>			<b>14,349,678</b>	<b>156,640,194</b>	<b>0.092</b>

Notes:

- (3),(6): Provided by First Cardinal, LLC; 2003 has "158" recoveries for large claims #1191 and #764 removed
- (4): Exhibit 4, Sheet 2
- (5): = (3) x (4)
- (7): Exhibit 4, Sheet 3
- (8): = (6) x (7)
- (11): = (5) x (9) + (8) x (10); For 2006 through 2008, (11) = (12) x (13)
- (12): Exhibit 4, Sheet 1
- (13): 2006-2008 Selected based on historic ratios

First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Exhibit 8  
 Sheet 4

Calculation of Additional "158" Paid Loss & ALAE through 66 Months

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Accident Year Ending 12/31/XX	Age as of 12/31/09	"158" Paid Loss & ALAE as of 12/31/09	Development Factor to 66 Months	"158" Paid Loss & ALAE through 66 Months	Additional "158" Paid Loss & ALAE through 66 Months	Percent Paid as of 12/31/09	Percent Paid through 66 Months	Selected "158" Ultimate Loss & ALAE	Additional "158" Paid Loss & ALAE through 66 Months	Selected Additional "158" Paid Loss & ALAE through 66 Months
2005	60	2,070,169	1.061	2,197,347	127,178	0.650	0.676	3,858,214	99,062	127,178
2006	48	776,195	1.220	947,329	171,134	0.550	0.676	1,651,480	207,551	189,342
2007	36	286,444	1.489	426,440	139,996	0.450	0.676	856,760	193,350	166,673
2008	24	0	2.173	0	0	0.300	0.676	0	0	0
<b>Total</b>		<b>3,132,809</b>		<b>3,571,116</b>	<b>438,307</b>			<b>6,366,454</b>	<b>499,963</b>	<b>483,193</b>

Notes:

- (3): Provided by First Cardinal, LLC
- (4): Based on the development factors from Exhibit 5, Sheet 1
- (5): = (3) x (4)
- (6): = (5) - (3)
- (7),(8): Based on the payout pattern selected in Exhibit 9
- (9): Exhibit 8, Sheet 3
- (10): = [(8) - (7)] x (9)

Calculation of Discount Factors

Cumulative Paid Loss & ALAE

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months	Selected Ultimate Loss & ALAE
1995																
1996																
1997																
1998																
1999																
2000																
2001	301,028	851,486	1,469,227	1,749,330	2,052,265	2,210,210	2,441,988	2,535,587	2,613,697							3,222,285
2002	983,821	2,889,363	4,331,352	5,408,395	6,191,952	6,986,703	7,550,176	7,980,214								9,250,352
2003	2,324,727	6,824,242	9,782,488	11,762,805	13,671,598	15,835,387	16,928,407									21,467,627
2004	2,580,693	6,514,850	9,753,268	12,175,221	14,060,101	15,371,717										23,637,300
2005	3,361,557	7,844,999	11,085,918	13,321,801	14,869,890											22,738,984
2006	3,679,969	8,467,592	12,262,485	14,775,652												27,524,666
2007	3,169,631	8,198,771	12,041,698													28,609,946
2008	3,563,522	8,959,215														28,882,298

Paid-to-Ultimate Factors

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months	
1995																
1996																
1997																
1998																
1999																
2000																
2001	0.093	0.264	0.456	0.543	0.637	0.686	0.758	0.787	0.811							
2002	0.106	0.312	0.468	0.585	0.669	0.755	0.816	0.863								
2003	0.108	0.318	0.456	0.548	0.637	0.738	0.789									
2004	0.109	0.276	0.413	0.515	0.595	0.650										
2005	0.148	0.345	0.488	0.586	0.654											
2006	0.134	0.308	0.446	0.537												
2007	0.111	0.287	0.421													
2008	0.123	0.310														
Straight Average	0.117	0.303	0.450	0.552	0.638	0.707	0.788	0.825								
Latest 5 Excl Hi/Lo	0.123	0.304	0.457	0.559												
Average, Latest 5	0.125	0.307	0.454	0.555												
Average, Latest 3	0.123	0.313	0.449	0.550	0.634	0.726										
Implied Paid LDF	0.126	0.314	0.459	0.559	0.643	0.720	0.775	0.821	0.854	0.880	0.902					
Overall Selected	0.150	0.320	0.470	0.560	0.650	0.720	0.800	0.820	0.850	0.900	0.920	0.940	0.960	0.980	0.990	1.000
Selected Incremental	<u>12 -Ult</u> 0.120	<u>24 -Ult</u> 0.300	<u>36 -Ult</u> 0.450	<u>48 -Ult</u> 0.550	<u>60 -Ult</u> 0.650	<u>72 -Ult</u> 0.700	<u>84 -Ult</u> 0.800	<u>96 -Ult</u> 0.820	<u>108 -Ult</u> 0.850	<u>120 -Ult</u> 0.900	<u>132 -Ult</u> 0.920	<u>144 -Ult</u> 0.940	<u>156 -Ult</u> 0.960	<u>168 -Ult</u> 0.980	<u>180 -Ult</u> 0.990	<u>192 -Ult</u> 1.000
Interest Rate	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996			
3.75%	0.868	0.868	0.874	0.875	0.890	0.876	0.896	0.912	0.910	0.926	0.941	0.955	0.964			

Note: Selected Ultimate Loss & ALAE adjusted to reflect excess amount

Estimated ULAE Related to Indemnity Claims

Calendar Year Open Indemnity Claims

Accident Year	Year Ending 12/31/2009	Year Ending 12/31/2010	Year Ending 12/31/2011	Year Ending 12/31/2012	Year Ending 12/31/2013	Year Ending 12/31/2014	Year Ending 12/31/2015	Year Ending 12/31/2016	Year Ending 12/31/2017	Year Ending 12/31/2018	Year Ending 12/31/2019	Year Ending 12/31/2020	Year Ending 12/31/2021	Year Ending 12/31/2022	Year Ending 12/31/2023
1995															
1996															
1997															
1998															
1999															
2000															
2001	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2002	15	8	0	0	0	0	0	0	0	0	0	0	0	0	0
2003	36	29	15	0	0	0	0	0	0	0	0	0	0	0	0
2004	59	30	24	12	0	0	0	0	0	0	0	0	0	0	0
2005	58	48	24	19	10	0	0	0	0	0	0	0	0	0	0
2006	69	55	46	23	18	9	0	0	0	0	0	0	0	0	0
2007	121	83	66	55	28	22	11	0	0	0	0	0	0	0	0
2008	188	103	70	56	47	24	19	10	0	0	0	0	0	0	0
Total	552	356	245	165	103	55	30	10	0	0	0	0	0	0	0
<b>ULAE Cost per Open Claim</b>	\$700	\$700	\$700	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
<b>Estimated ULAE</b>	\$386,400	\$249,200	\$171,500	\$82,500	\$51,500	\$27,500	\$15,000	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Undiscounted ULAE</b>	\$988,600														
<b>Discount Factor</b>	1.000	0.964	0.929	0.895	0.863	0.832	0.802	0.773	0.745	0.718	0.692	0.667	0.643	0.620	0.597
<b>Estimated Discounted ULAE</b>	\$386,400	\$240,193	\$159,326	\$73,874	\$44,448	\$22,877	\$12,027	\$3,864	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Discounted ULAE</b>	\$943,009														

Note: ULAE Cost per Open Claim provided by First Cardinal, LLC



Estimated ULAE Related to Medical Claims

Calendar Year Open Medical Claims

Accident Year	Year Ending 12/31/2009	Year Ending 12/31/2010	Year Ending 12/31/2011	Year Ending 12/31/2012	Year Ending 12/31/2013	Year Ending 12/31/2014	Year Ending 12/31/2015	Year Ending 12/31/2016	Year Ending 12/31/2017	Year Ending 12/31/2018	Year Ending 12/31/2019	Year Ending 12/31/2020	Year Ending 12/31/2021	Year Ending 12/31/2022	Year Ending 12/31/2023
1995															
1996															
1997															
1998															
1999															
2000															
2001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2002	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2003	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2005	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2006	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2007	9	5	0	0	0	0	0	0	0	0	0	0	0	0	0
2008	11	6	3	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>42</b>	<b>11</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ULAE Cost per Open Claim</b>	<b>\$100</b>	<b>\$100</b>	<b>\$100</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>
<b>Estimated ULAE</b>	<b>\$4,200</b>	<b>\$1,100</b>	<b>\$300</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total</b>	<b>\$5,600</b>														
<b>Discount Factor</b>	<b>1.000</b>	<b>0.964</b>	<b>0.929</b>	<b>0.895</b>	<b>0.863</b>	<b>0.832</b>	<b>0.802</b>	<b>0.773</b>	<b>0.745</b>	<b>0.718</b>	<b>0.692</b>	<b>0.667</b>	<b>0.643</b>	<b>0.620</b>	<b>0.597</b>
<b>Estimated Discounted ULAE</b>	<b>\$4,200</b>	<b>\$1,060</b>	<b>\$279</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Discounted ULAE</b>	<b>\$5,539</b>														

Note: ULAE Cost per Open Claim provided by First Cardinal, LLC

Closed Indemnity Claims

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months	Selected Ultimate Claims
1995																
1996																
1997																
1998																
1999																
2000																
2001			84	97	102	105	107	107	106							112
2002		214	260	282	296	301	302	302								317
2003	136	307	379	404	422	429	441									477
2004	199	346	413	441	463	472										532
2005	164	347	419	446	473											533
2006	161	304	409	452												524
2007	160	287	389													514
2008	129	327														527

Closure Pattern

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995															
1996															
1997															
1998															
1999															
2000															
2001			0.750	0.866	0.911	0.938	0.955	0.955	0.946						
2002		0.675	0.820	0.890	0.934	0.950	0.953	0.953							
2003	0.285	0.644	0.795	0.847	0.885	0.899	0.925								
2004	0.374	0.651	0.777	0.830	0.871	0.888									
2005	0.308	0.652	0.787	0.837	0.888										
2006	0.307	0.581	0.781	0.863											
2007	0.311	0.558	0.757												
2008	0.245	0.621													
Average, Latest 5	0.309	0.612	0.779	0.853					0.946						
Average, Latest 3	0.288	0.587	0.775	0.843	0.881	0.912			0.946						
Overall Selected	0.270	0.620	0.790	0.870	0.900	0.925	0.940	0.955	0.965	0.980	0.985	0.990	0.995	1.000	1.000
Selected Closed	0.300	0.600	0.780	0.850	0.880	0.900	0.950	0.960	0.980	1.000	1.000	1.000	1.000	1.000	1.000
Incremental Closed		0.300	0.180	0.070	0.030	0.020	0.050	0.010	0.020	0.020	0.000	0.000	0.000	0.000	0.000
Selected % Open	0.700	0.400	0.220	0.150	0.120	0.100	0.050	0.040	0.020	0.000	0.000	0.000	0.000	0.000	0.000

Notes: Data provided by First Cardinal, LLC

First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Closed Medical Claims

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months	Selected Ultimate Claims
1995																
1996																
1997																
1998																
1999																
2000																
2001			76	76	76	77	77	77	77							77
2002		215	216	218	219	216	216	215								220
2003	217	308	310	311	313	311	312									316
2004	246	298	307	310	310	312										315
2005	241	353	359	363	364											366
2006	222	334	342	347												355
2007	301	491	498													507
2008	255	357														368

Closure Pattern

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995															
1996															
1997															
1998															
1999															
2000															
2001			0.987	0.987	0.987	1.000	1.000	1.000	1.000						
2002		0.977	0.982	0.991	0.995	0.982	0.982	0.977							
2003	0.687	0.975	0.981	0.984	0.991	0.984	0.987								
2004	0.781	0.946	0.975	0.984	0.984	0.990									
2005	0.658	0.964	0.981	0.992	0.995										
2006	0.625	0.941	0.963	0.977											
2007	0.594	0.968	0.982												
2008	0.693	0.970													
Average, Latest 5	0.670	0.958	0.976	0.986				0.989	1.000						
Average, Latest 3	0.637	0.960	0.976	0.984	0.990	0.985		0.989	1.000						
Overall Selected	0.670	0.960	0.985	0.990	0.995	0.997	0.998	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected Incremental	0.660	0.960	0.980	0.990	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
		0.300	0.020	0.010	0.010	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Selected % Open	0.340	0.040	0.020	0.010	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Notes: Data provided by First Cardinal, LLC

First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Reported Indemnity Claim Development

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995															
1996															
1997															
1998															
1999															
2000															
2001			112	112	112	112	112	112	112						
2002		312	315	316	316	316	316	317							
2003	415	467	472	474	475	476	477								
2004	456	514	524	528	529	531									
2005	473	522	531	530	531										
2006	468	517	519	521											
2007	514	497	510												
2008	461	515													

Development Factors

Accident Year	12-24 Months	24-36 Months	36-48 Months	48-60 Months	60-72 Months	72-84 Months	84-96 Months	96-108 Months	108-120 Months	120-132 Months	132-144 Months	144-156 Months	156-168 Months	168-180 Months	180-Ult Months
1995															
1996															
1997															
1998															
1999															
2000															
2001			1.000	1.000	1.000	1.000	1.000	1.000							
2002		1.010	1.003	1.000	1.000	1.000	1.003								
2003	1.125	1.011	1.004	1.002	1.002	1.002									
2004	1.127	1.019	1.008	1.002	1.004										
2005	1.104	1.017	0.998	1.002											
2006	1.105	1.004	1.004												
2007	0.967	1.026													
2008	1.117														
Weighted Average	1.088	1.015	1.003	1.002	1.002	1.001		1.000							
Average, Latest 5	1.084	1.015	1.003					1.000							
Average, Latest 3	1.063	1.016	1.003	1.002	1.002			1.000							
Wtd Avg, Latest 5	1.081	1.015	1.003					1.000							
Wtd Avg, Latest 3	1.060	1.016	1.003	1.002	1.002			1.000							
Wtd Avg, Latest 2	1.038	1.015	1.001	1.002	1.003	1.001		1.000							
Overall Selected	1.090	1.015	1.003	1.003	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.090	1.015	1.003	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Cumulative	1.115	1.023	1.008	1.005	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Notes: Data provided by First Cardinal, LLC

First Cardinal, LLC  
 NY Transportation Workers Compensation Trust

Reported Medical Claim Development

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995															
1996															
1997															
1998															
1999															
2000															
2001			76	76	77	77	77	77	77						
2002		223	220	220	220	220	220	220							
2003	305	318	318	318	318	318	317	316							
2004	315	319	317	316	316	315									
2005	336	366	363	366	366										
2006	334	351	355	355											
2007	407	515	507												
2008	351	368													

Development Factors

Accident Year	12-24 Months	24-36 Months	36-48 Months	48-60 Months	60-72 Months	72-84 Months	84-96 Months	96-108 Months	108-120 Months	120-132 Months	132-144 Months	144-156 Months	156-168 Months	168-180 Months	180-Ult Months
1995															
1996															
1997															
1998															
1999															
2000															
2001			1.000	1.013	1.000	1.000	1.000	1.000							
2002		0.987	1.000	1.000	1.000	1.000	1.000								
2003	1.043	1.000	1.000	1.000	0.997	0.997									
2004	1.013	0.994	0.997	1.000	0.997										
2005	1.089	0.992	1.008	1.000											
2006	1.051	1.011	1.000												
2007	1.265	0.984													
2008	1.048														
Weighted Average	1.092	0.994	1.001	1.001	0.998	0.998		1.000							
Average, Latest 5	1.093	0.996	1.001					1.000							
Average, Latest 3	1.121	0.996	1.002	1.000	0.998			1.000							
Wtd Avg, Latest 5	1.101	0.995	1.001					1.000							
Wtd Avg, Latest 3	1.130	0.994	1.002	1.000	0.998			1.000							
Wtd Avg, Latest 2	1.165	0.995	1.004	1.000	0.997	0.998		1.000							
Overall Selected	1.090	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.090	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Cumulative	1.090	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Notes: Data provided by First Cardinal, LLC

**APPENDIX A**

**LOSS TRIANGLES FOR THE MORE MATURE FC SIGS IN NEW YORK**

Cumulative Paid Loss & ALAE

Accident Year	(14) (15) (16)														
	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995		422,464	543,139	730,745	769,228	822,202	933,894	994,287	1,113,073	1,168,756	1,198,626	1,218,812	1,241,787	1,263,025	1,282,848
1996	841,221	1,625,448	2,197,637	2,496,687	2,903,553	3,188,901	3,436,742	3,769,457	4,068,656	4,223,312	4,328,532	4,415,636	4,490,783	4,587,471	
1997	678,838	1,958,857	2,728,291	3,394,592	3,932,522	4,290,345	4,575,469	4,908,505	5,061,284	5,186,912	5,269,927	5,351,804	5,421,131		
1998	1,178,497	2,770,929	3,725,045	4,599,413	5,148,210	5,698,962	6,092,764	6,387,227	6,521,576	6,627,429	7,143,868	7,182,968			
1999	2,172,789	5,217,209	7,189,250	8,929,888	10,275,479	11,504,040	12,610,833	13,337,690	13,885,445	14,306,503	14,552,723				
2000	4,174,885	10,682,714	15,348,200	18,574,886	21,840,457	23,646,106	25,305,419	26,786,547	27,870,669	28,725,920					
2001	5,815,652	16,138,808	25,031,606	30,998,768	34,804,950	37,864,795	40,287,187	42,886,433	45,240,242						
2002	10,359,743	25,279,400	36,755,878	44,679,071	50,102,722	54,751,869	59,878,892	62,998,379							
2003	11,492,444	30,527,047	43,950,467	53,402,239	64,773,687	72,657,145	77,517,598								
2004	14,361,922	35,019,167	51,615,781	64,097,021	74,817,195	81,715,537									
2005	16,257,941	39,344,468	56,842,994	69,741,582	78,791,823										
2006	17,109,300	40,895,236	61,187,830	74,357,572											
2007	19,615,123	50,107,538	74,711,924												
2008	22,073,902	51,781,213													

Development Factors

Accident Year	12-24 Months	24-36 Months	36-48 Months	48-60 Months	60-72 Months	72-84 Months	84-96 Months	96-108 Months	108-120 Months	120-132 Months	132-144 Months	144-156 Months	156-168 Months	168-180 Months	180-Ult Months
1995	1.286	1.345	1.053	1.069	1.136	1.065	1.119	1.050	1.026	1.017	1.019	1.017	1.022	1.016	
1996	1.932	1.352	1.136	1.163	1.098	1.078	1.097	1.079	1.038	1.025	1.020	1.017	1.022		
1997	2.886	1.393	1.244	1.158	1.091	1.066	1.073	1.031	1.025	1.016	1.016	1.013			
1998	2.351	1.344	1.235	1.119	1.107	1.069	1.048	1.021	1.016	1.078	1.005				
1999	2.401	1.378	1.242	1.151	1.120	1.096	1.058	1.041	1.030	1.017					
2000	2.559	1.437	1.210	1.176	1.083	1.070	1.059	1.040	1.031						
2001	2.775	1.551	1.238	1.123	1.088	1.064	1.065	1.055							
2002	2.440	1.454	1.216	1.121	1.093	1.094	1.052								
2003	2.656	1.440	1.215	1.213	1.122	1.067									
2004	2.438	1.474	1.242	1.167	1.092										
2005	2.420	1.445	1.227	1.130											
2006	2.390	1.496	1.215												
2007	2.555	1.491													
2008	2.346														
Straight Average	2.473	1.426	1.230	1.143	1.096	1.082	1.065	1.055	1.032	1.032	1.015	1.016	1.020	1.016	
Latest 5 Excl Hi/Lo	2.416	1.470	1.219	1.140	1.091	1.077	1.056	1.037	1.029	1.023					
Weighted Average	2.468	1.469	1.224	1.154	1.099	1.076	1.058	1.047	1.029	1.031	1.013	1.015	1.021	1.016	
Average, Latest 5	2.430	1.469	1.223	1.151	1.096	1.078	1.056	1.038	1.028	1.032					
Average, Latest 3	2.430	1.477	1.228	1.170	1.102	1.075	1.059	1.045	1.026	1.037	1.014	1.016			
Wtd Avg, Latest 5	2.428	1.472	1.223	1.154	1.099	1.076	1.057	1.045	1.029	1.031					
Wtd Avg, Latest 3	2.428	1.479	1.227	1.166	1.102	1.075	1.057	1.048	1.029	1.032	1.012	1.015			
Wtd Avg, Latest 2	2.444	1.493	1.221	1.148	1.106	1.078	1.057	1.049	1.031	1.036	1.010	1.015	1.021		
Prior Selected	2.500	1.470	1.230	1.160	1.100	1.080	1.060	1.040	1.030	1.025	1.020	1.020	1.010	1.050	
Industry Averages	2.459	1.451	1.218	1.135	1.094	1.065	1.053	1.480							
Latest Inc/Pd Ratios	3.165	1.855	1.473	1.342	1.276	1.188	1.144	1.188	1.121	1.055	1.008	1.092	1.124		
Selected	2.450	1.480	1.230	1.160	1.100	1.075	1.060	1.045	1.030	1.025	1.020	1.020	1.015	1.010	
Cumulative	7.931	3.237	2.187	1.778	1.533	1.394	1.297	1.224	1.171	1.137	1.109	1.087	1.066	1.050	1.040

Notes: Data provided by First Cardinal, LLC

Cumulative Incurred Loss & ALAE

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995		1,062,694	1,078,519	1,096,773	1,031,552	1,117,338	1,121,910	1,181,067	1,186,543	1,530,671	1,636,819	1,636,819	1,631,897	1,632,771	1,633,466
1996	2,129,981	2,531,830	3,709,054	3,741,093	3,905,745	3,861,788	4,494,027	4,286,099	4,651,572	4,916,468	4,959,961	4,987,361	5,047,573	5,250,007	
1997	2,137,070	4,469,207	4,458,787	4,792,846	4,896,640	5,064,969	5,163,923	5,316,207	5,659,247	5,726,164	5,747,375	5,842,879	5,867,157		
1998	5,246,779	5,147,032	5,729,305	6,120,638	6,274,312	6,451,387	6,596,636	6,787,058	6,876,910	6,742,475	7,204,310	7,360,692			
1999	8,100,182	10,585,791	11,353,957	11,856,063	12,674,734	13,214,176	13,962,408	14,325,523	14,890,796	15,085,962	15,208,745				
2000	14,007,808	19,767,382	22,971,956	25,313,539	26,990,756	27,939,718	29,751,547	30,651,740	31,250,933	33,193,603					
2001	23,676,353	32,546,219	37,044,195	39,434,578	43,478,601	47,086,698	49,209,352	50,921,320	53,716,882						
2002	32,363,746	47,483,116	54,645,792	57,872,741	60,355,598	62,997,604	68,539,459	71,768,717							
2003	40,273,727	53,956,419	63,511,114	72,873,595	84,647,271	86,303,539	87,822,829								
2004	48,467,700	60,366,545	74,906,343	85,599,783	95,388,632	98,891,847									
2005	51,698,137	69,809,695	82,634,535	93,614,620	99,074,944										
2006	57,861,817	73,389,449	90,081,719	99,071,143											
2007	65,965,021	92,910,327	114,640,279												
2008	69,845,274	97,203,614													

Development Factors

Accident Year	12-24 Months	24-36 Months	36-48 Months	48-60 Months	60-72 Months	72-84 Months	84-96 Months	96-108 Months	108-120 Months	120-132 Months	132-144 Months	144-156 Months	156-168 Months	168-180 Months	180-Ult Months
1995		1.015	1.017	0.941	1.083	1.004	1.053	1.005	1.290	1.069	1.000	0.997	1.001	1.000	
1996	1.189	1.465	1.009	1.044	0.989	1.164	0.954	1.085	1.057	1.009	1.006	1.012	1.040		
1997	2.091	0.998	1.075	1.022	1.034	1.020	1.029	1.065	1.012	1.004	1.017	1.004			
1998	0.981	1.113	1.068	1.025	1.028	1.023	1.029	1.013	0.980	1.068	1.022				
1999	1.307	1.073	1.044	1.069	1.043	1.057	1.026	1.039	1.013	1.008					
2000	1.411	1.162	1.102	1.066	1.035	1.065	1.030	1.020	1.062						
2001	1.375	1.138	1.065	1.103	1.083	1.045	1.035	1.055							
2002	1.467	1.151	1.059	1.043	1.044	1.088	1.047								
2003	1.340	1.177	1.147	1.162	1.020	1.018									
2004	1.246	1.241	1.143	1.114	1.037										
2005	1.350	1.184	1.133	1.058											
2006	1.268	1.227	1.100												
2007	1.408	1.234													
2008	1.392														
Straight Average	1.371	1.168	1.080	1.059	1.040	1.054	1.025	1.040	1.069	1.032	1.011	1.004	1.021	1.000	
Latest 5 Excl Hi/Lo	1.337	1.215	1.125	1.092	1.039	1.056	1.031	1.038	1.027	1.028					
Weighted Average	1.352	1.196	1.109	1.090	1.039	1.050	1.036	1.042	1.042	1.022	1.014	1.006	1.030	1.000	
Average, Latest 5	1.333	1.213	1.116	1.096	1.044	1.055	1.033	1.038	1.025	1.032					
Average, Latest 3	1.356	1.215	1.125	1.111	1.034	1.050	1.037	1.038	1.018	1.027	1.015	1.004			
Wtd Avg, Latest 5	1.340	1.215	1.118	1.096	1.040	1.049	1.038	1.041	1.037	1.022					
Wtd Avg, Latest 3	1.361	1.217	1.124	1.107	1.032	1.047	1.040	1.041	1.038	1.022	1.016	1.006			
Wtd Avg, Latest 2	1.400	1.231	1.116	1.085	1.029	1.047	1.042	1.042	1.046	1.027	1.019	1.008	1.030		
Prior Selected	1.320	1.200	1.120	1.100	1.045	1.045	1.030	1.025	1.020	1.010	1.010	1.010	1.005	1.015	
Industry Averages	1.545	1.233	1.112	1.061	1.063	1.041	1.024	1.203							
Selected	1.350	1.220	1.120	1.095	1.040	1.040	1.035	1.030	1.025	1.015	1.015	1.010	1.005	1.000	
Cumulative	2.533	1.876	1.538	1.373	1.254	1.206	1.160	1.121	1.088	1.061	1.045	1.030	1.020	1.015	1.015

Notes: Data provided by First Cardinal, LLC



Diagnostics: Case Reserves and Paid to Incurred Ratios

Case Reserves

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995		640,230	535,380	366,027	262,324	295,137	188,017	186,780	73,469	361,915	438,192	418,006	390,110	369,747	350,618
1996	1,288,760	906,382	1,511,417	1,244,406	1,002,192	672,887	1,057,285	516,642	582,916	693,156	631,430	571,725	556,789	662,535	
1997	1,458,232	2,510,350	1,730,496	1,398,254	964,118	774,623	588,454	407,701	597,963	539,252	477,447	491,075	446,026		
1998	4,068,282	2,376,103	2,004,260	1,521,225	1,126,102	752,425	503,872	399,831	355,333	115,045	60,443	177,725			
1999	5,927,393	5,368,582	4,164,707	2,926,176	2,399,254	1,710,136	1,351,575	987,833	1,005,351	779,460	656,022				
2000	9,832,923	9,084,668	7,623,756	6,738,653	5,150,299	4,293,611	4,446,128	3,865,193	3,380,264	4,467,684					
2001	17,860,701	16,407,411	12,012,589	8,435,810	8,673,651	9,221,904	8,922,164	8,034,888	8,476,640						
2002	22,004,003	22,203,716	17,889,914	13,193,670	10,252,877	8,245,735	8,660,567	8,770,338							
2003	28,781,284	23,429,373	19,560,647	19,471,356	19,873,585	13,646,394	10,305,231								
2004	34,105,778	25,347,379	23,290,562	21,502,762	20,571,437	17,176,310									
2005	35,440,196	30,465,227	25,791,541	23,873,038	20,283,121										
2006	40,752,518	32,494,213	28,893,889	24,713,571											
2007	46,349,898	42,802,790	39,928,355												
2008	47,771,372	45,422,400													

Paid to Incurred Ratios

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995		0.398	0.504	0.666	0.746	0.736	0.832	0.842	0.938	0.764	0.732	0.745	0.761	0.774	0.785
1996	0.395	0.642	0.593	0.667	0.743	0.826	0.765	0.879	0.875	0.859	0.873	0.885	0.890	0.874	
1997	0.318	0.438	0.612	0.708	0.803	0.847	0.886	0.923	0.894	0.906	0.917	0.916	0.924		
1998	0.225	0.538	0.650	0.751	0.821	0.883	0.924	0.941	0.948	0.983	0.992	0.976			
1999	0.268	0.493	0.633	0.753	0.811	0.871	0.903	0.931	0.932	0.948	0.957				
2000	0.298	0.540	0.668	0.734	0.809	0.846	0.851	0.874	0.892	0.865					
2001	0.246	0.496	0.676	0.786	0.801	0.804	0.819	0.842	0.842						
2002	0.320	0.532	0.673	0.772	0.830	0.869	0.874	0.878							
2003	0.285	0.566	0.692	0.733	0.765	0.842	0.883								
2004	0.296	0.580	0.689	0.749	0.784	0.826									
2005	0.314	0.564	0.688	0.745	0.795										
2006	0.296	0.557	0.679	0.751											
2007	0.297	0.539	0.652												
2008	0.316	0.533													

Diagnostics: Case Outstanding per Open Claim and Closed to Reported Claim Ratios

Case Outstanding per Open Claim

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995		10,851	19,829	28,156	21,860	26,831	23,502	23,348	14,694	72,383	87,638	83,601	97,528	92,437	116,873
1996	5,176	7,617	19,629	25,396	29,476	35,415	58,738	39,742	48,576	63,014	63,143	57,173	55,679	66,254	
1997	3,103	13,946	16,325	21,512	24,103	24,207	23,538	29,122	49,830	49,023	47,745	49,108	49,558		
1998	7,112	12,706	18,731	25,354	26,812	25,081	29,640	39,983	44,417	10,459	8,635	35,545			
1999	6,759	18,641	28,140	30,481	32,422	33,532	36,529	31,866	50,268	48,716	54,669				
2000	8,980	19,836	25,078	31,054	37,053	41,686	48,859	48,926	53,655	82,735					
2001	9,386	20,769	26,814	30,236	42,727	53,616	58,698	65,324	77,767						
2002	8,592	21,984	32,946	40,596	41,176	39,643	48,655	54,138							
2003	10,131	21,594	34,621	47,724	61,911	51,887	53,954								
2004	11,700	21,336	33,272	44,427	55,598	58,028									
2005	11,720	23,115	36,072	50,472	58,285										
2006	11,933	22,644	38,784	49,926											
2007	13,652	27,939	47,141												
2008	14,790	34,152													
Exponential Trend															
All Years	10.4%	8.9%	8.1%	7.8%	10.9%	9.2%	8.8%	12.2%	20.4%						
Latest 5	6.4%	12.0%	8.0%	4.8%	9.7%	6.5%	8.1%	14.2%	11.4%						

Closed to Reported Claim Ratios

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months
1995		0.520	0.852	0.929	0.935	0.940	0.957	0.957	0.973	0.973	0.973	0.973	0.978	0.006	#REF!
1996	0.459	0.779	0.864	0.913	0.940	0.966	0.968	0.977	0.979	0.981	0.982	0.982	0.982	0.002	
1997	0.466	0.835	0.904	0.941	0.964	0.971	0.977	0.987	0.989	0.990	0.991	0.991	0.992		
1998	0.559	0.875	0.930	0.961	0.973	0.980	0.989	0.993	0.995	0.993	0.995	0.997			
1999	0.477	0.850	0.924	0.951	0.962	0.974	0.981	0.984	0.990	0.992	0.994				
2000	0.626	0.865	0.911	0.937	0.960	0.970	0.974	0.977	0.982	0.984					
2001	0.559	0.841	0.911	0.945	0.960	0.966	0.970	0.976	0.979						
2002	0.502	0.825	0.907	0.944	0.957	0.964	0.970	0.972							
2003	0.515	0.833	0.914	0.938	0.951	0.960	0.971								
2004	0.551	0.832	0.902	0.932	0.948	0.959									
2005	0.554	0.822	0.904	0.937	0.954										
2006	0.524	0.815	0.905	0.937											
2007	0.547	0.812	0.897												
2008	0.550	0.826													

Calculation of Discount Factors

Cumulative Paid Loss & ALAE

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months	Selected Ultimate Loss & ALAE
1995		422,464	543,139	730,745	769,228	822,202	933,894	994,287	1,113,073	1,168,756	1,198,626	1,218,812	1,241,787	1,263,025	1,282,848	1,936,788
1996	841,221	1,625,448	2,197,637	2,496,687	2,903,553	3,188,901	3,436,742	3,769,457	4,068,656	4,223,312	4,328,532	4,415,636	4,490,783	4,587,471		5,321,826
1997	678,838	1,958,857	2,728,291	3,394,592	3,932,522	4,290,345	4,575,469	4,908,505	5,061,284	5,186,912	5,269,927	5,351,804	5,421,131			5,971,676
1998	1,178,497	2,770,929	3,725,045	4,599,413	5,148,210	5,698,962	6,092,764	6,387,227	6,521,576	6,627,429	7,143,868	7,182,968				7,497,998
1999	2,172,789	5,217,209	7,189,250	8,929,888	10,275,479	11,504,040	12,610,833	13,337,690	13,885,445	14,306,503	14,552,723					17,411,337
2000	4,174,885	10,682,714	15,348,200	18,574,886	21,840,457	23,646,106	25,305,419	26,786,547	27,870,669	28,725,920						34,437,131
2001	5,815,652	16,138,808	25,031,606	30,998,768	34,804,950	37,864,795	40,287,187	42,886,433	45,240,242							56,955,120
2002	10,359,743	25,279,400	36,755,878	44,679,071	50,102,722	54,751,869	59,878,892	62,998,379								77,839,963
2003	11,492,444	30,527,047	43,950,467	53,402,239	64,773,687	72,657,145	77,517,598									97,832,668
2004	14,361,922	35,019,167	51,615,781	64,097,021	74,817,195	81,715,537										115,012,890
2005	16,257,941	39,344,468	56,842,994	69,741,582	78,791,823											120,096,273
2006	17,109,300	40,895,236	61,187,830	74,357,572												129,852,147
2007	19,615,123	50,107,538	74,711,924													161,645,315
2008	22,073,902	51,781,213														158,141,114

Paid-to-Ultimate Factors

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months	
1995		0.218	0.280	0.377	0.397	0.425	0.482	0.513	0.575	0.603	0.619	0.629	0.641	0.652	0.662	
1996	0.158	0.305	0.413	0.469	0.546	0.599	0.646	0.708	0.765	0.794	0.813	0.830	0.844	0.862		
1997	0.114	0.328	0.457	0.568	0.659	0.718	0.766	0.822	0.848	0.869	0.882	0.896	0.908			
1998	0.157	0.370	0.497	0.613	0.687	0.760	0.813	0.852	0.870	0.884	0.953	0.958				
1999	0.125	0.300	0.413	0.513	0.590	0.661	0.724	0.766	0.797	0.822	0.836					
2000	0.121	0.310	0.446	0.539	0.634	0.687	0.735	0.778	0.809	0.834						
2001	0.102	0.283	0.439	0.544	0.611	0.665	0.707	0.753	0.794							
2002	0.133	0.325	0.472	0.574	0.644	0.703	0.769	0.809								
2003	0.117	0.312	0.449	0.546	0.662	0.743	0.792									
2004	0.125	0.304	0.449	0.557	0.651	0.710										
2005	0.135	0.328	0.473	0.581	0.656											
2006	0.132	0.315	0.471	0.573												
2007	0.121	0.310	0.462													
2008	0.140	0.327														
Straight Average	0.129	0.310	0.440	0.538	0.612	0.667	0.715	0.750	0.780	0.801	0.821	0.828	0.798	0.757		
Latest 5 Excl Hi/Lo	0.131	0.312	0.464	0.559	0.643	0.685	0.743	0.789	0.818	0.828						
Average, Latest 5	0.131	0.314	0.463	0.560	0.640	0.692	0.750	0.794	0.818	0.794						
Average, Latest 3	0.131	0.318	0.464	0.561	0.652	0.704	0.737	0.766	0.825	0.858	0.883	0.785				
Implied Paid LDF	0.126	0.309	0.457	0.562	0.652	0.717	0.771	0.817	0.854	0.880	0.902					
Selected Incremental	<u>12 -Ult</u> 0.150	<u>24 -Ult</u> 0.320	<u>36 -Ult</u> 0.470	<u>48 -Ult</u> 0.560	<u>60 -Ult</u> 0.650	<u>72 -Ult</u> 0.720	<u>84 -Ult</u> 0.800	<u>96 -Ult</u> 0.820	<u>108 -Ult</u> 0.850	<u>120 -Ult</u> 0.900	<u>132 -Ult</u> 0.920	<u>144 -Ult</u> 0.940	<u>156 -Ult</u> 0.960	<u>168 -Ult</u> 0.980	<u>180 -Ult</u> 0.990	<u>192 -Ult</u> 1.000
Incremental	0.150	0.170	0.150	0.090	0.090	0.070	0.080	0.020	0.030	0.050	0.020	0.020	0.020	0.020	0.010	0.010